Saurashtra Cement Limited

Corporate Office
N K Mehta International House, 2nd Floor,
178 Backbay Reclamation, Mumbai 400 020
T +91 22 6636 5444
F +91 22 6636 5445
E scl-mum@mehtagroup.com
CIN : L26941GJ1956PLC000840

Ref: B/SCL/SE/SS/2020-21 August 28, 2020

Corporate Relationship Manager,
Bombay Stock Exchange Limited,
1st Floor, New Trading Ring,
Rotunda Bldg, P.J.Tower,
Dalal Street, Mumbai 400001.

Scrip Code: 502175

Dear Sir/Madam,

Sub.: Annual Report for the year 2019-20 under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

This is in furtherance to our letter dated August 22, 2020, wherein the Company had informed that the **62nd Annual General Meeting ('AGM')** of the Company will be held on **Thursday, September 24, 2020 at 3.30 p.m. (IST) via two-way Video Conference / Other Audio Visual Means only**, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed herewith Annual Report for the Financial Year 2019-20 of the Company, which is also being sent through electronic mode only to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/ Depositories.

The same is also available on the website of the Company at http://scl.mehtagroup.com/investors/annual-report-2019-2020.

This is for your information and records.

Thanking you,

Yours faithfully,
For Saurashtra Cement Limited

Sonali Sanas Digitally signed by Sonali Sanas Date: 2020.08.28 13:03:56 +05'30'

Sonali Sanas
Sr. Vice President (Legal) & Company Secretary

Encl: as above

THE MEHTA GROUP

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

HATHI®
CEMENT

62nd Annual Report
2019-20

Saurashtra Cement Limited

Contents

GENERAL INFORMATION

Board of Directors

Mr. M. N. Mehta Chairman	Mr. Jay M. Mehta Executive Vice Chairman	Mr. Hemang D. Mehta Non-Executive Director
Mr. Hemnabh Khatau Non-Executive Director	Mr. M. N. Rao Non-Executive Independent Director	Mr. B. P. Deshmukh Non-Executive Independent Director
Mr. K. N. Bhandari Non-Executive Independent Director	Mr. Jayant N. Godbole Non-Executive Independent Director	Mr. Bimal Thakkar Non-Executive Independent Director
Mrs. Bhagyam Ramani Non-Executive Independent Director	Mr. Ashwani Kumar Non-Executive Independent Director	Mr. M. S. Gilotra Managing Director

Chief Financial Officer
Mr. Rakesh H. Mehta

Auditors
M/s. Manubhai & Shah LLP
Chartered Accountants

Registrars & Transfer Agent
M/s. Link Intime India Pvt Ltd
(Unit: Saurashtra Cement Limited)
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Tel. 022- 49186000, Fax : 022-49186060

Website
www.saurashtracementlimited.com

Sr. Vice President (Legal) & Company Secretary
Ms. Sonali Sanas

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

Bankers
Central Bank of India
Bank of Baroda
HDFC Bank Ltd.

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the Company's 62nd Annual Report and the Company's audited financial statements (standalone and consolidated) for the Financial Year ended March 31, 2020.

Financial Results

The Company's financial results for the year ended March 31, 2020 are summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operation (Net of GST) and Other Income	**6165.93**	6300.31	**6165.90**	6300.81
Profit / (Loss) before Interest, Depreciation, Exceptional items and Tax	**1176.00**	131.52	**1174.96**	131.02
Finance Cost	**44.75**	47.43	**44.75**	47.43
Profit/(Loss) before Depreciation, Exceptional Items and Tax	**1131.25**	84.09	**1130.21**	83.59
Depreciation & Amortisation	**196.82**	183.35	**196.82**	183.35
Exceptional Items	**(160.00)**	31.97	**(160.00)**	31.97
Profit/(Loss) before Tax	**774.43**	(67.29)	**773.39**	(67.79)
Current Tax Expense	**136.27**	2.05	**136.27**	2.03
Deferred Tax Adjustment	**72.06**	(20.61)	**72.06**	(20.61)
Profit/(Loss) for the year	**566.10**	(48.73)	**565.06**	(49.21)
Total Other Comprehensive Income (net of tax)	**(23.11)**	(11.69)	**(23.11)**	(11.69)
Total Comprehensive Income	**542.99**	(60.42)	**541.95**	(60.90)
Retained Earnings – Opening Balance	**1656.73**	1792.33	**1645.63**	1781.71
Add/(Less) :				
Profit/(Loss) for the Year	**566.10**	(48.73)	**565.06**	(49.21)
Re-measurement of Defined Benefit Plans (Net of Tax)	**(5.28)**	(3.46)	**(5.28)**	(3.46)
Less : Equity Dividend & Dividend Distribution Tax thereon	**146.63**	83.41	**146.63**	83.41
Retained Earnings – Closing Balance	**2070.92**	1656.73	**2058.78**	1645.63

Management Discussion and Analysis Report

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

Corporate Governance

Your Company diligently complies with the Corporate Governance guidelines and best practices along with the requirements of Regulations 17 to 27 & Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time. Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance along with the Auditor's Certificate on its compliance is annexed separately to this report. A declaration by the Managing Director that the Board and Senior Executives have complied with the Code of Conduct of the Company also forms a part of this Report as **Annexure B**.

Material Changes and Commitments Affecting Financial Position and Change in Business

In view of the Nationwide lockdown w.e.f. 25th March 2020 due to COVID-19 being declared as a pandemic; the factory of your Company at Ranavav, Gujarat was completely shut down from 25th March 2020 till 31st March 2020. The business has impacted due to the lockdown leading to reduction in the economic activity going forward.

No other material change(s) and commitment(s) have occurred between the end of the Financial Year and the date of this Report, which has affected the Financial Statements of the Company with respect to the reporting year.

There has been no change in the nature of business of the Company during the Financial Year ended on March 31, 2020.

Performance Highlights

Your Company has been constantly striving to maximize the profitability and to focus upon sustainable development. During the year under review, your Company has "retained and sustained" the existing customers, has worked towards reducing the fixed overheads and enhancing the productivity.

During the year under review:

- Clinker Production was 1.27 Million tons.
- Cement Production was 1.28 Million tons commensurate with demand.
- Total income for the year was ₹ 6165.93 million, 2.13% lower than the previous year of ₹ 6300.31 million.
- Net profit before tax for the year 2019- 2020 was ₹ 774.43 million compared to loss of ₹ 67.29 million in FY 2018-2019. The profitability in the previous year was lower due to high input costs and low realisations.

Dividend

In view of the surplus profits and to increase value for the shareholders, the Board of Directors of your Company, during the Financial Year has declared interim dividend(s) for the period ended 30th September 2019 and for the period ended 31st December 2019. The Board has declared and paid an interim dividend of ₹ 0.75 paise per equity share of the face value of ₹ 10/- each (@ 7.5%) aggregating to ₹ 52.11 million on 14.11.2019 and ₹ 1/- per equity share of the face value of ₹ 10/- each (@ 10%) aggregating to ₹ 69.52 million on 14.2.2020.

An amount of ₹ 25.00 million was paid as Dividend Distribution Tax on the interim dividend declared by the Board.

The Board of Directors of your Company, after considering holistically the relevant circumstances, decided that it would be prudent, not recommending any Final Dividend for the Financial Year 2019-2020.

Financial Statements

The Audited Standalone and Consolidated Financial Statements of the Company which form a part of this Annual Report have been prepared pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance with the provisions of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015.

The Consolidated Net Profit of the Company is ₹ 565.06 million for the Financial Year ended 31st of March 2020.

Share Capital

The paid up Equity Share Capital of the Company as on 1st April 2019 was ₹ 693.40 million. The paid up Equity Share Capital of the Company as on 31st March 2020 including the forfeited shares was ₹ 695.22 million.

During the year, 1,81,135 Equity Shares of ₹ 10/- each were allotted to the employees in accordance with Employee Stock Option Scheme 2017.

Employees Stock Option Scheme

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is given as **Annexure C** to this Report.

Deposits

During the year under review, your Company has not accepted/received any deposits falling within the ambit of Section 73 of the Act and not under the exceptions provided under Rule 2 of the Companies (Acceptance of Deposits) Rules, 2014.

Related Party Transactions

All transactions entered into with the related parties are in accordance with the approvals being granted by the Audit Committee, Board and the Members at the General Meeting (as applicable). The other details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134 (3) of the Companies Act, 2013 are mentioned in the Corporate Governance Report.

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 D** in Form No. AOC -2.

Particulars of Loans, Guarantees and Investments

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Notes to the Standalone Financial Statements.

Internal Control Systems and Internal Audit

The Company has adequate internal control procedures commensurate with its size and nature of business. In accordance with the requirements, the Company has appointed Internal Auditors who periodically audit the adequacy and the effectiveness of internal controls and procedures as laid down by the management and suggest improvements.

Your Company has adequate financial control system and framework in place to ensure:

1. The orderly and efficient conduct of its business including adherence to Company's policies;
2. Safeguarding of its assets;
3. The prevention and detection of frauds and errors;
4. The accuracy and completeness of the accounting records; and
5. The timely preparation of reliable financial information.

The Audit Committee of the Board of Directors approves from time to time the quarterly audit assignments, reviews the progress of audit findings presented by the Internal Auditors and Statutory Auditors on Internal Financial Controls. Also the status of the implementation of audit recommendations and adequacy of the internal controls is reviewed by the Audit Committee.

Insurance

All the properties including buildings, plant, machinery and stocks have been adequately insured.

Subsidiaries and Associate Companies

Your Company has one subsidiary company; viz. Agrima Consultants International Limited. Section 136 of the Companies Act, 2013 has exempted the listed companies from attaching the financial statements of their Subsidiary company to the Annual Report of the Company. In accordance with the proviso to sub-section (1) of Section 136; a copy of the audited annual accounts of Agrima Consultants International Limited is provided at the following link: http://scl.mehtagroup.com/subsidiary-companies/agrima-consultants-international-ltd-finance-reports

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

The Company will make available the Annual Accounts of the subsidiary company to any Member on their request and the same shall also be kept open for inspection by any Member at the registered office of the Company. The statement is also available on the website of the Company at http://scl.mehtagroup.com/investors/financials.

Directors and Key Managerial Personnel

Reappointment of Directors

The tenure of Mr. Jay Mehta as the Executive Vice Chairman is upto 31st of December, 2020. The Nomination & Remuneration Committee at its meeting held on 12th May 2020 approved re-appointment of Mr. Jay Mehta as the Executive Vice Chairman for a further period of 3 (Three) years with effect from 1st January 2021 to 31st December, 2023 and recommended to the Board for its approval. The Board at its meeting held on 18th May 2020 considered the recommendation of Nomination & Remuneration Committee and approved the said reappointment and recommended to the Shareholders for its approval.

The tenure of Mr. M. S. Gilotra as the Managing Director is upto 31st of December, 2020. The Nomination & Remuneration Committee at its meeting held on 12th May 2020 approved re-appointment of Mr. M. S. Gilotra who shall attain the age of 70 years on 17th September 2020 as the Managing Director for a further period of 3 (Three) years with effect from 1st January 2021 to 31st December, 2023 and recommended to the Board for its approval. The Board at its meeting held on 18th May 2020 considered the recommendation of Nomination & Remuneration Committee and approved the said reappointment and recommended to the Shareholders for its approval.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemang D. Mehta (DIN: 00146580), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resume of the Directors seeking re-appointment along with other details as stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure E.**

The Board recommends the re- appointment.

Appointment / Change in Other Key Managerial Personnel

During the year under review, there is no appointment / change in Key Managerial personnel.

Independent Directors' Declarations

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149 (6) of the Companies Act, 2013 and Regulation 25 & 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that he/she meets the criteria of independence as laid out in the Section.

Disclosure pertaining to disqualification of Directors:

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; a certificate has been received from M/s Ragini Chokshi & Co. practicing Company Secretaries, that none of the Directors on the Board of the Company have been disqualified to act as Director. The same is annexed herewith as **Annexure F.**

Annual Evaluation by the Board of its own performance, its Committees and Individual Directors

In accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has put in place a mechanism for evaluation of its performance, Committees and Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings, domain knowledge in the Board Meeting, awareness and observation of Governance etc. Accordingly, evaluation sheet gets circulated to the Board and the Board carries out annual performance evaluation. The responses being received were evaluated by the Board.

Meetings of the Board and Committees

During the year under review, five Board Meetings were held. These meetings were held on 25th day of May 2019, 8th day of August 2019, 14th day of November 2019, 11th day of February 2020 and 14th day of February 2020. The details of number of meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report, which forms part of this report.

Secretarial Standards

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards i.e. SS-1 and SS-2, issued by The Institute of Company Secretaries of India.

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 is set out in the Corporate Governance Report. The Nomination and Remuneration Charter and Compensation Policy is available at the following links: http://scl.mehtagroup.com/policy/nomination-and-remuneration-charter and http://scl.mehtagroup.com/policy/compensation-policy

Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are annexed at **Annexure G.** There were 385 permanent employees of the company as on 31st of March 2020.

A statement showing names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and 5(3) and other details as required of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by Members at the Registered Office of the Company, during business hours on working days upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company at sclinvestorquery@mehtagroup.com whereupon a copy would be sent. Further, the details are also available on the Company's website: http://scl.mehtagroup.com/investors.

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and Rules made there-under, the Company at its 60th AGM appointed M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W / W100136) as Statutory Auditors of the Company, to audit the accounts of the Company upto the Financial Year 2021-22, who shall hold office from the conclusion of the 60th Annual General Meeting till the conclusion of 64th Annual General Meeting of the Company.

The Report given by M/s. Manubhai & Shah LLP, Chartered Accountants on the financial statements of the Company for FY 2019- 2020 is part of the Annual Report.

Secretarial Auditors

M/s. Ragini Chokshi & Co, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditors of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2019-2020. The report of the Secretarial Auditor is annexed as **Annexure H** to this report. The report does not contain any qualification, reservation nor adverse remarks.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the Financial Year 2020-21.

Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and on the recommendation of Audit Committee, M/s. V. J. Talati & Co, Cost Accountants, have been reappointed by the Board as Cost Auditors of the Company for the Financial Year 2020-21. A certificate of eligibility under Section 148 of the Companies Act, 2013 has been received.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to M/s. V. J. Talati & Co., Cost Auditor, is included at item no. 3 of the Notice convening the Annual General Meeting.

Cost Records

The Cost accounts and records as required to be maintained under Section 148(1) of Act are duly made and maintained by the Company.

Tax Auditors

The Board of Directors, on the recommendation of the Audit Committee reappointed M/s Manubhai & Shah LLP, Chartered Accountants to carry out the Tax Audit for the Assessment Year 2020-21.

Internal Auditors

The Board of Directors on the recommendation of the Audit Committee reappointed M/s Haribhakti & Co., LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2020-21.

Reporting of Frauds by Auditors

During the year, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Director's Report.

Other Disclosures under Companies Act, 2013 and SEBI (Listing Obligaitons and Disclosure Requirements) Regulations, 2015

Audit Committee

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

Risk Management

Given the uncertain and volatile business environment, your Company faces risk pertaining to continuous changes in the technology, geo-politics, financial markets, high cost of raw material, volatile price and demand, change in regulations etc. The impact due to the outbreak of COVID 19 Pandemic during the short terms and long term upon the business is still difficult to assess at the given point of time. To build a sustainable business that can wether these changes, companies need to manage risk and opportunities on a proactive basis.

Accordingly, your Company has in place a Risk Management Policy to identify, monitor and mitigate various risks to key business objectives. Major risks identified are being addressed by the plant, marketing and corporate through risk response strategies and subsequently mitigating actions is taken. The Risk as is escalated by the Executive Management is reviewed periodically by the Audit Committee and the Board and action taken as suggested.

Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility (CSR) initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders.

Your Company has always laid emphasis on progress with social commitment. Your Company believes strongly in its core values of empowerment and betterment of not only the employees but also its communities around. Your Company has undertaken projects in the area of promoting education, healthcare, environment sustainability, rural development etc. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

Your Company has impacted the lives of the community around, through substantial investments towards improving the initiatives in educational activities and through various projects such as rural development project, environment and health related projects undertaken by the Company with the aim of welfare of its society.

Your Company has undertaken various CSR activities during the year under review and few to highlight are as under:-

- Promoting education and knowledge enhancement by running a school through Saurashtra Cement Educational Trust (Trust). The students are coming from nearby areas and are not necessarily children of the Employees of the Company. The Company continues to contribute to the Trust for the development of school and improvement its infrastructure keeping in mind the safety of the students.

- Extra coaching classes have also been started with the aim of providing students full support in the areas where they can excel their future.
- Undertaking rural development projects such as desilting of dam, river and pond under the initiative - Jal Sanchay Abhiyaan & Sujalam Sufalam Jal Abhiyaan 2019 undertaken by the Government of Gujarat.
- Providing skill development and vocational enhancement courses which ensures educational support not only to disabled people but also to the local people.
- Supporting various association, NGO and forest department in the afforestation drive run by them. There are other environmental projects such as environment awareness, plantation, distributing of saplings undertaken by the Company.
- Taken up various health related projects which mainly focuses on cleanliness and reduction in use of plastic. Support is also provided to the civil hospital in Porbandar, Gujarat by donating ventilator machines to the hospital.

The Board of Directors, on the recommendation of the Corporate Social Responsibility Committee, formulated a Corporate Social Responsibility Policy for welfare of the society, which is in consonance with Section 135 of the Companies Act, 2013 on CSR and in accordance with CSR rules notified by the Ministry of Corporate Affairs. The policy is available at the following link: http: //scl.mehtagroup.com/policy/csr-policy.

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

The details of various CSR activities undertaken during Financial Year 2019-2020 are discussed in detail in the Management Discussion and Analysis Report.

The annual report on CSR activities and expenditure required under Section 134 & 135 of the Companies Act, 2013 read with Rule 8 of the Companies Corporate Social Responsibility Policy Rules, 2014 and Rule 9 of the Companies (Account) Rules, 2014 are given in **Annexure I** of the Report.

Significant and Material Orders passed by the Regulators or Courts

There are no significant / material orders passed by the regulators, any court or tribunal impacting going concern status of the Company and its operations in future.

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 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;

(b) that the accounting policies as mentioned in Note No.1 (B) 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 on a going concern basis;

(e) that proper internal financial controls were laid down and that such internal financial controls were adequate and were operating effectively; and

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Other Information

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Whistle Blower Policy/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, etc. The Whistle Blower Policy has been posted on the website Company at the following link: http://scl.mehtagroup.com/policy/whistle-blower-policy

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance towards sexual harassment at workplace and has adopted a formal policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace in line with the provisions on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Detailed note is set out in the Corporate Governance report.

During the year under review, the Company has not received any complaints of sexual harassment from any of the women at work place of the Company.

Extract of the Annual Return

Pursuant to Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Annual Return in Form MGT-9 is annexed herewith as **Annexure K** and is also available on the website of the Company at the following link: http://scl.mehtagroup.com/investors/annualreturn

Other Disclosures:

1. **Secretarial Compliance Report**

   The Company has received Secretarial Compliance Report for the year ended 31st March 2020 from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed hereto as **Annexure L.**

2. No disclosure or reporting is made in respect of the following items as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as during the year under review:

   - There are no deposites with respect to deposits covered under Chapter V of the Companies Act, 2013.
   - There were no issue of equity shares with differential rights as to dividend, voting or otherwise.
   - The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
   - No remuneration is paid/is payable to the Managing Director of the Company from the subsidiary of the Company.
   - Revision in the financial statements.
   - There was no change in the nature of business.

General

Transfer of Shares

As notified under Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Listing of Equity Shares

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). The Company has paid the listing fees for the Financial Year 2020-21.

Staff Relations

Industrial relations at our Factory and Offices have remained cordial.

Secretarial Standards

In accordance with SS-1, the Company has complied with all applicable secretarial standards.

Awards

During the year under review, your Company has received following Awards as a result of the Company's continuous efforts towards preserving the environment:-

1) Greentech Environment Award - 2019 - by the Greentech Foundation; and
2) Fame Excellence Award - 2019.
3) Awards won in the 10th Metaliferous Mines Safety, Swachhata & Silicosis Awareness Week – 2019 – 1st prize under the categories of (i) Mine Lighting & Electrical Installation - Adityana Mines, (ii) Haul Road Maintenance and Transportation - Ran Bauxite Mines, (iii) Health, Safety, Welfare & Occupational Health Check up Facilities - Ran Bauxite Mines and 2nd prize under the category of overall performance in Ran Bauxite Mines.

Acknowledgement

The Board of Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the continued growth and prosperity of your company.

The Board of Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support.

For & on behalf of the Board of Directors

M. S. Gilotra	**Jay Mehta**
Managing Director	Exec.Vice Chairman
(DIN: 00152190)	(DIN: 00152072)

Dated : 18.5.2020
Place : Mumbai

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS

Cement Industry and Outlook

India is the second largest cement producer in the world after China and accounts for over 8 percent of the global installed capacity. The installed capacity in India as on 31st March 2020 was about 545 Million Tons. The per capita consumption of cement in India at about 235 kg is far below the world average of over 520 kg. Therefore the long term prospects of the industry remains positive.

The demand for cement in the country began on a positive note for the first few months in FY 2019-20, but dipped in the interim period due to a prolonged monsoon season and excess rainfall in many regions. The demand witnessed recovery again between November 2019 and February 2020. However, the COVID-19 pandemic outbreak resulted in plant stoppages and adverse impact on sales in March 2020. As a result, the cement production in FY 2019-20 decreased by about 0.8% to 334 Million Tons, as compared to 337 Million Tons in the Previous Year.

The demand for cement got contracted substantially in April 2020 due to the restrictions on construction activities in view of the pandemic & nationwide lockdown, displacement of labour, restrictions upon inter regional movement of cement & low availability of other building materials like sand, bricks, steel etc.

The adverse impact of the pandemic is expected to cast a shadow of uncertainty in the first two quarters of the current financial year. However it is expected to improve to some extent toward the third and fourth quarters, depending on success of containment efforts by industry and Governments.

The cement industry is rapidly moving towards sustainable operations with thrust on higher production of blended cement & by using waste materials like fly ash and slag. This resulted in the conservation of the minerals from mines, reduction in energy consumption through use of Waste Heat Recovery techniques, use of alternate fuels (agri waste, municipal waste, tyres, petroleum waste etc), lower emissions, low water requirements etc.

The Government's thrust on infrastructure especially concrete roads, ports, dedicated freight corridors, metro rail projects in all the major cities and development of 100 smart cities across India will provide long term stability to the cement demand growth and consequently cement industry prospects.

While the cement capacity additions which are nearing completion will go on-stream in the second half of FY 2020-21, the other cement projects which are under planning / implementation are likely to be delayed by over a year due to liquidity constraints in financial markets.

The cost of major inputs like coal, pet coke and diesel / crude have declined and are likely to remain at lower levels for major parts of FY 2020-21. This will help the cement companies to reduce the manufacturing and logistics costs and partly offset the high fixed cost due to lower capacity utilisations.

Performance Analysis

During the Financial Year ended 31st March 2020, your Company earned a net profit of ₹ 56.61 crores as against net loss of ₹ 4.87 crores in the previous Financial Year. The increase in profitability was mainly on account of stable price and demand, lower power and fuel costs, raw material cost, stores consumption & repairs, overheads cost coupled with higher price realisations.

Since cement is the core business of the Company, the majority of the revenue and profitability comes from the sale of different types of cement.

Key Financial Ratios

The details of significant changes in key financial ratios of the Company for the current Financial Year vis-à-vis the previous Financial Year are given on the following Table:

Ratio	Current FY2019-20	Previous FY2018-19	Variance, %	Reason for Variance
Debtors Turnover (Days)	**15.09**	10.21	48%	Slow recovery in the month of March due to lock down
Inventory Turnover – (Days)	**53.58**	39.57	35%	Drop in sales in the month of March due to lock down
Interest Coverage Ratio	**44.87**	5.44	725%	Better profitability
Current Ratio	**1.31**	1.05	25%	Increase in Debtor, Inventory and Cash & Bank Balances
Debt Equity Ratio	**0.06**	0.08	-22%	Decrease in utilization of Overdraft against Fixed Deposit
Operating Profit Margin (%)	**19.34%**	2.12%	813%	Higher price realizations and lower fuel costs
Net Profit Margin (%)	**9.31%**	-0.78%	1287%	Higher price realizations and lower fuel costs

The Return on Net Worth of the Company for the FY 2019-20 was 12.52% as against -1.19% in the Previous Financial Year. The reason for the change in the ratio was better profitability.

Risk and Concerns

The major risks faced by the Cement Industry are :-

- Addition of New capacities likely to result in a supply overhang;
- Intense competition / Pressure on prices;
- Slow demand in the housing sector;
- Uncertainty in the raw material supply due to the complex mining and land acquisition laws.
- High Logistics cost which put pressure upon margins;
- Delays in land acquisitions;
- Any other risks pertaining to high cost of compliances, reputation and data integrity.

Your Company is also exposed to most of the above risks to certain degrees.

Your Company has carried out a detailed exercise to identify various risks as is applicable upon the Company, and has put in place mitigation, control measures and monitoring plans for each of the risks. Risk owners have been identified to control the respective risks. The efficacy of these processes is monitored on a regular basis by Risk Management Committee established at Corporate and Marketing Office and also at Plant location for the different areas in order to make continuous improvement and is further reviewed by the Risk Management Steering Committee (RMSC) consisting of Managing Director, CFO, Compliance Officer, and members from functional teams at plant, marketing, IT, administration, HR etc. The Chief Risk Officer (CRO) is being appointed by the Board of Directors.

Chief Risk Officer (CRO) is responsible to coordinate information flow between RMSC and the risk owners, liaise with the various teams for smooth flow of information between them and the RMSC and is responsible to prepare the risk management report which includes risks identified across all the locations in the Company.

Audit Committee takes preventive measures on the risks identified.

Risk Categories

The following major risks have been identified during the period under review :

A. Market Risk:

- Cement demand is dependent on construction activities – Primarily housing and infrastructure. Any adverse policies or circumstances affecting construction activities including current restrictions due to COVID will indirectly impact cement demand.
- Dependence on the Gujarat:- Majority of the sales volume of the Company is restricted to the state of Gujarat. The Company is largely dependent on a single market and any calamity or other factor which may affect development in Gujarat may also impact the Company's performance. This risk is partially mitigated by selling some volumes in nearby regions and by undertaking exports.
- Volatility in the Prices/ Volumes :- On account of large surplus capacity, addition of new entities in the Cement and due to the fragmentation in the market; there may be volatility in the cement prices and impact the sales volumes, market share and profitability of your Company. Your Company is mitigating this risk through various efforts in sales promotion, thrust on local markets, leveraging the brand strength and by maintaining a strong relationship with the dealer network.

B. Raw Material Risk:

Limestone is the primary raw material for manufacture of cement, making it imperative for the Company to ensure its uninterrupted long-term availability. The Company has captive mining leases granted before the commencement of the MMDR Act, valid up to a period ending on March 31, 2030, or till the completion of their existing period of renewal, whichever is later. New mining leases would henceforth be allotted for a period of fifty (50) years through fresh auctions with the existing user getting the Right of Refusal. Also, a certain portion of the mining lease of your Company is in proximity of a wildlife sanctuary.

Internal Control Systems and their Adequacy

The Company has instituted internal financial control systems which are adequate for the nature of its business and size of operations. The various policies and procedures adopted by the Company ensures conducting of the business efficiently including adherence to the Company's policies, safeguarding business assets from stealing and wastage, ensuring compliance with business policies and the law of the land, performance evaluation of each employee and officer to increase the efficiency in operation and timely preparation of true and reliable operating data and financial statements.

The systems have been well documented and communicated. The systems are tested and audited from time to time by the Company's Internal Auditors who periodically audit the adequacy and the effectiveness of the internal control systems and procedures which have been laid down by the management and suggest improvements thereon. Any significant audit observations and follow-up in this regard is reported to the Audit Committee.

There are certain lines of reporting adopted by the Company keeping in mind the business objectives of the Company which are mentioned below:-

- **Proper delegation of power:** The Executive-Vice Chairman (EVC) and the Managing Director (MD) look after the day-to-day activities of the business and the ultimate power to take any business related decisions lies with the Board of Directors based on the reports presented by the EVC and MD.
- **Segregation of responsibility**: There is a proper segregation of responsibility between all the departments across all the locations in the Company. The respective department heads report to MD and EVC.
- **Preparation and use of documents:** All the documents are prepared with the utmost care which ensures the preparation of reliable financial information which is useful to the stakeholders and also Company ensures proper maintenance of such records.

The Audit Committee of the Board of Directors approves from time to time - the quarterly audit assignments, reviews the progress of audit findings presented by the Internal Auditors. Also the status of the implementation of audit recommendations and adequacy internal controls is reviewed by the Audit Committee.

The constitution of the Audit Committee and its terms of reference are set out in the Corporate Governance Report as **Annexure B.**

Human Resource Development / Industrial Relations

Your Company believes and recognises that its employees are important resources in meeting its objectives. The Company has been continuously working to improve human resources skills, competencies and capabilities in order to achieve its business objectives and to cater to employee's aspirations. The Company is focusing on building a future ready talent ecosystem by encouraging employees to self-learning mode. We have provided a catalogue of online training modules which an individual can access on their own at any time.

Your Company believes in overall development of employees and going beyond the set boundaries of compensation and performance review and welfare by providing focus on employee work life cycle.

The Company continues with the project "talk to me" which is providing insight into employees' connection with the organization, their expectations and aspirations. This is helping us in revitalizing Company policies, practices and employee engagement.

The Industrial relations at the plant have remained cordial.

The management is pleased to acknowledge the contribution of all employees who have helped the Company taking to new heights and striving for the overall satisfaction of all stakeholders. The employee relations have been harmonious and amicable throughout the year.

As on 31.03.2020 the Company had employed 385 permanent employees.

Corporate Social Responsibility

Your Company has always been conscious of its role and as a good corporate citizen it had never left a single opportunity to return back to the society what it deserves. The Company fulfil this role by conducting all its business activities with utmost care for the environment and all the stakeholders across all the locations. Corporate Social Responsibility (CSR) is considered as one of the tools to contribute to the society which has a positive impact upon the lives of the communities, around its areas of operations which minimizes the impact on the environment and addresses concerns of communities in a mutually beneficial manner.

The CSR activities are implemented after a proper survey and the need-based projects are implemented. The initiatives help society in various areas such as health, education, sanitation, drinking water, environment, rural development & needless to mention here that the community interventions are implemented with utmost care. The primary aim is to remain concentrated on creating long-term value creation for all local community members irrespective of their gender, ethnicity and religious backgrounds.

Occupational Health and Safety

Your Company believes that ensuring safety, health and wellbeing of employees at the workplace is the primary responsibility of the management. Hence, the Company serves this purpose through its own medical center at its factory at Ranavav, Porbandar with full time medical officer and paramedical staff. The factory health center caters the medical services to not only to employees and their family members but also to the surrounding needy people. The periodical medical checkup for all employees and the executive health check-up plan help them timely assistance, guidance for proper health.

Your Company, through its health center, conducts various immunization programs, blood donation camps and family welfare education programs takes best care of the people.

Your Company has always given a top priority and prime importance to the safety of people who work with it. The management has zero tolerance policy in the area. Apart from looking into the safety of employees, the dedicated safety team gives a lot of emphasis on the training of employees in the related areas. The continuous training of employees, adherence to safety policy, procedures and processes have given dividends to the management and would strive further for the strengthening of the area. The process and controls are in place to ensure the safety of people and that of the plant. Some of the tools which are used to ensure the safety are periodical internal and external audits, statutory inspections, and mock drills among others.

Considering the safety of its employees, your Company has taken a fire fighting initiative to avoid any unforeseen fire incident and for that purpose the fire fighting team was built and given sufficient training including the use of fire extinguishers. The training also included a live session on actual usage of fire hydrants/fire extinguishers to extinguish fire in case of emergency. The training was conducted at the Corporate Office in Mumbai.

The Company has also adopted “Work from Home Policy” for its employees working at Corporate and Marketing offices to minimize the risk and contain the spread of COVID-19. The Company has taken various measures to ensure safety and well-being of all the employees and is ensuring compliance with the directives issued by the Central, State Government and local administration in this regard.

Education

Your Company has been striving for the cause of education for the last many decades. It runs a full-fledged school for the employees’ children and for the children from neighboring areas at a nominal cost and provides bus facility to the children for attending school / college in Porbandar city. Your Company has also initiated extra coaching classes for the poor, promising students from the nearby areas, thereby giving encouragement and guidance for the underprivileged students. Your Company has generously donated to the other educational institutes from time to time.

Sanitation

Your Company has always contributed to the various national programs implemented by the governments and other NGOs. It has addressed the appeal of “Sanitation facility for all” by participating in the Swachh Bharat Abhiyan and resorted to various initiatives & constructed 30 toilets in the nearby villages thereby benefiting around 180 people.

Environment Initiatives

In spite of scanty rains in the area for the last three years, your Company’s management continued its commitment to the environment and afforestation. A green belt has been developed and maintained at the factory and its surrounding areas. Your Company attained its objective of planting more than one lakh plus trees in the last decade and the survival rate of the saplings planted was more than 80%. The team showed commendable 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 expectations 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	**Jay Mehta**
Managing Director	Exec.Vice Chairman
(DIN: 00152190)	(DIN: 00152072)

Dated : 18.5.2020
Place : Mumbai

Annexure-B

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The Company has over the years followed the best practices of Corporate Governance. The Company is committed to the Code of Conduct which articulates values and ideals that guide and govern the conduct of The Mehta Group as well as its employees in all matters relating to business.

The Company has a strong legacy for transparent and ethical governance practices and believes that good Governance is based upon transparency, accountability and focus on the sustainability of the business over the long-term. In this pursuit the Company's Corporate Governance philosophy is to protect the interests of all the stakeholders and to also adhere to the various polices and code being framed by the company and the Executive management from time to time.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read along with para C & D & Regulation 46 of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015).

BEST CORPORATE GOVERNANCE STRUCTURE

Your Company's governance structure broadly comprises the Board of Directors and the Committees of the Board and the Executive Management. The Board of your Company has the required mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors.

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 of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Executive Vice Chairman and Managing Director of the Company. The Board plays a primary role to protect the interest of the Company and enhance value of all the stakeholders.

Committees of Board:

With a view to have better transparency in 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, Allotment Committee and Finance Committee. These Committees undertake the functions, roles and responsibilities as being assigned by the Board of Directors from time to time.

Executive Management:

The Executive Management of the Company oversees the business and compliances. The Executive Vice Chairman (EVC) and Managing Director (MD) look after day-to-day business activities of the Company under the overall supervision and guidance of the Board. The EVC and MD are supported by business head and department heads across the locations, who are professionals / technocrats.

Board of Directors

Composition (as on 31.3.2020)

Your Company's Board comprises of 12 (Twelve) Directors, which include 7 (Seven) Independent Directors. The Board represents an optimal mix of required knowledge in the field of Cement Manufacturing, finance, strategy and general management. The Board composition as on 31st March 2020 is as under:

Category	No. of Directors
Non-Executive, Non-Independent Director (including Chairman)	3
Non-Executive, Independent Directors (including Woman Director)	7
Non-Independent, Executive Directors – Executive Vice Chairman and Managing Director	2
Total	**12**

The composition of the Board of Directors is in conformity with the SEBI (LODR) Regulations, 2015.

On an annual basis and in accordance with the requirements of Regulation 25 & 26 of the SEBI (LODR) Regulations, 2015, the Company obtains from each Director details of the Board and Board Committee positions she / he occupies in other Companies and changes, if any, regarding their Directorships. Further, all Directors provide an annual confirmation that they do not attract any disqualification as prescribed under section 164 of the Companies Act, 2013 and Independent Directors confirm annually that they meet the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 and SEBI (LODR Regulations), 2015. Based on the confirmation / declarations received from the Independent Directors and on evaluation of the relationships disclosed, the Board is of the opinion that the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the executive management.

Profile of Directors

A brief profile of each Director is given below:

Mr. M. N. Mehta – DIN: 00632865 (Chairman, Promoter Group, Non-Independent)

Mr. M. N. Mehta, aged 88 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 years in East Africa. He 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 Agrima Consultants International Limited, subsidiary company and Director in other private companies. Mr. M. N. Mehta is also Chairman of Finance Committee of the Board.

Initially, he joined the Board of the Company in October 1974 and was reappointed as a non – retiring Chairman as per the Articles of Association of the Company on 15.10.2004.

Mr. Jay Mehta – DIN: 00152072 (Executive Vice Chairman, Promoter Group, Non-Independent)

Mr. Jay Mehta, aged 59 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 the Cement Industry. He is also the Executive Vice Chairman of Gujarat Sidhee Cement Limited and Board member of Agrima Consultants International Limited, subsidiary company along with other private and public limited companies in India. He is Chairman of CSR Committee, Member of the Finance Committee and Stakeholders Relationship and Grievances Committee of the Board.

Initially, he joined the Board in December 1987 and was reappointed in the current term with effect from 1.1.2016. His term as the Executive Vice Chairman of the Company expires on 31st December, 2020 and has been reappointed by the Board at its meeting held on 18th May 2020 for a further period of 3 (three years) with effect from 1st January 2021 to 31st December, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting.

Mr. Hemang D. Mehta – DIN: 00146580 (Non-Executive, Non-Independent Director, Promoter Group)

Mr. Hemang D. Mehta, aged 65 years, has graduated from the University of Manchester Institute of Science & Technology (UMIST) U.K., now referred to as the Manchester Business School. He is an industrialist having over 30 years of Corporate and Operational Management experience in the Cement industry and in Plastics & Packaging. He has worked in various countries like India, Kenya, Canada and USA. He is also a Director of various private companies in India, Canada and USA.

Initially, he joined the Board in April 1993 and was reappointed in the current term on 14.8.2018. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Hemnabh R. Khatau – DIN: 02390064 (Non-Executive, Non-Independent Director, Promoter Group)

Mr. Hemnabh R. Khatau, aged 59 years, has graduated with B.A (Electrical Engineering) from Cambridge University, MSc. (Microprocessor Engineering) (UMIST) and MSc (Sloan Fellowship Masters Programme, London Business School). He has a 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 Agrima Consultants International Limited, subsidiary company.

He joined the Board in October, 2008 and was reappointed in the current term on 21.8.2019.

Mr. M.N. Rao – DIN: 00027131 (Non-Executive Independent Director)

Mr. M. N. Rao, aged 83 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 of the Board. He is also on the Board of Gujarat Sidhee Cement Limited.

Originally, he joined the Board in November, 1984 and was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Mr. B. P. Deshmukh – DIN: 00002357 (Non-Executive Independent Director)

Mr. B. P. Deshmukh, aged 76 years, has done M.Com, LL.B, FCS. He has rich experience in finance. He is the Chairman of the Allotment Committee of the Board.

He joined the Board in October, 2004 and was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was accorded at the Annual General Meeting held on 21st August 2019 for continuation of holding of office by Mr. B. P. Deshmukh from 15.7.2019 as a Non-Executive Independent Director who has attained the age of 75 years pursuant to the applicable provisions of Companies Act, 2013 as amended from time to time, Regulation 17(1) (2)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and in accordance with the Articles of Association of the Company.

Mr. K. N. Bhandari – DIN: 00026078 (Non-Executive Independent Director)

Mr. K. N. Bhandari, aged 78 years, has done B.A., LL.B. He was 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 is a Member of the Audit Committee and Chairman of the Nomination & Remuneration Committee of the Board. He is also on the Board of Gujarat Sidhee Cement Limited.

He joined the Board in October, 2005 and was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Mr. Jayant N. Godbole - DIN: 00056830 (Non-Executive Independent Director)

Mr. Jayant N. Godbole, aged 75 years, is a B.Tech (Hons), IIT (Mumbai) and holds Certificate of Financial Management from Jamnalal Bajaj Institute of Management Studies. In the plant he was a Production In charge of ACTIVATED CARBON and ACTIVATED FULLERS EARTH plants of an SSI. From 1980 to 1985, he was a consultant and a project Coordinator (Project Manager) of a 2000- TPD (DRI) SPONGE IRON PLANT, 2000- TPD METHANOL PLANT and 90 MW- GAS BASED POWER PLANT. He was also CHAIRMAN of EMPOWERED GROUP of CORPORATE DEBT RESTRUCTURING FRAMEWORK (CDR) of INDIA. At the time of retirement, he was performing functions of 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 Board.

He joined the Board in April, 2008 was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was accorded at the Annual General Meeting held on 21st August 2019 for continuation of holding of office by Mr. Godbole from 18.2.2020 as a Non-Executive Independent Director who has attained the age of 75 years pursuant to the applicable provisions of Companies Act, 2013 as amended from time to time, Regulation 17(1) (2)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and in accordance with the Articles of Association of the Company.

Mr. Bimal R. Thakkar – DIN: 00087404 (Non-Executive Independent Director)

Mr. Bimal R. Thakkar, aged 55 years, has done B.Com, 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 the Chairman of the Stakeholder Relationship & Grievance Committee, Member of Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee and Allotment Committee of the Board. He is also on the Board of Gujarat Sidhee Cement Limited.

He joined the Board in April, 2009 and was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Mrs. Bhagyam Ramani- DIN: 00107097 (Non-Executive Independent Director)

Mrs. Bhagyam Ramani, aged 68 years, is a Post Graduate in Economics (Hons) with specialization in Industrial & Monetary Economics and had retired as Director of General Insurance Corporation of India, a Government of India Undertaking. She has more than 4 decades of experience in various fields including finance and accounts. She is also on the Board of several public listed companies. She is a Member of the Audit Committee and Allotment Committee of the Board. She is also on the Board of Gujarat Sidhee Cement Limited.

She joined the Board in August, 2014 and was reappointed as Independent Director in the current term at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 4.8.2019 to 3.8.2024.

Mr. Ashwani Kumar - DIN: 02870681 (Non-Executive Independent Director)

Mr. Ashwani Kumar, aged 62 years, is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years serving in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank. He is also on the Board of other companies. He is a Member of Nomination & Remuneration Committee of the Board. He is also on the Board of Gujarat Sidhee Cement Limited.

He joined the Board as Additional Director with effect from 13.2.2019 and was appointed as Independent Director at the Annual General Meeting held on 21.8.2019 for a period of 5 years from 13.2.2019.

Mr. M. S. Gilotra - DIN: 00152190 (Non-Independent Executive Director (Managing Director)

Mr. M.S. Gilotra, aged 69 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 served 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 Audit Committee, Stakeholders Relationships & Grievances Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee and Allotment Committee of the Board.

He joined the Board in June, 1995 and was reappointed in the current term with effect from 1.1.2016. His term as Managing Director expires on 31st December, 2020 and has been reappointed by the Board at its meeting held on 18th May 2020 for a further period of 3 (three years) with effect from 1st January 2021 to 31st December, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting.

Cessation of Directors

Mr. S.V.S. Raghavan (DIN: 00111019) ceased to be the Director w.e.f. 25.05.2019 (Closure of business hours)

Re-appointment of Directors

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Hemang D. Mehta (DIN: 00146580), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

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

Board meetings held during the year

Dates on which the Board meetings were held	Total strength of the Board	Number of Directors present
25th May, 2019	13	13
08th August, 2019	12	12
14th November, 2019	12	12
11th February, 2020	12	12
14th February, 2020	12	12

The gap between any two (2) Board meetings did not exceed one hundred and twenty (120) days in line with the requirements of the Act and the SEBI (LODR) Regulations, 2015.

Attendance of Directors at Board Meetings and Annual General Meeting, Disclosure of Relationships between Director Inter-se and Number of Shares held by Non Executive Directors.

The Directors are also given an option of attending the Board Meeting through Video Conferencing (VC). The last Annual General Meeting (AGM) was held on the 21st day of

August 2019. 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 at last AGM	Relationship with other Director	No. of Shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	5	No	Father of Mr. Jay Mehta	28480
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	5	No	Son of Mr. M. N. Mehta	14630
3.	Mr. Hemang D. Mehta	Non-Executive, Non-Independent	5	No	—	51534
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	5	No	—	—
5.	Mr. S.V.S Raghavan#	Non-Executive, Independent	1	No	—	—
6.	Mr. M. N. Rao	Non-Executive, Independent	5	Yes	—	—
7.	Mr. B.P.Deshmukh	Non-Executive, Independent	5	No	—	—
8.	Mr. K. N. Bhandari	Non-Executive, Independent	5	No	—	—
9.	Mr. Jayant N. Godbole	Non-Executive, Independent	5	No	—	—
10.	Mr. Bimal R. Thakkar	Non-Executive, Independent	5	No	—	—
11.	Mrs. Bhagyam Ramani	Non-Executive, Independent	5	No	—	—
12.	Mr. Ashwani Kumar	Non-Executive, Independent	5	Yes	—	—
13.	Mr. M.S. Gilotra	Managing Director, Non-Independent	5	Yes	—	104165*

Mr. S.V.S. Raghavan ceased to be the Director w.e.f. 25.05.2019 (Closure of business hours)

* Issued and allotted under Saurashtra Employees Stock Option Scheme 2017.

Except Mr. M. N. Mehta and Mr. Jay Mehta, none of the Directors of the Company or any of the Key Managerial Personnel are inter-se related.

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 Directors 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 2020 are given below:

Sr. No	Name of the Director	Other* Directorships	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
1.	Mr. M. N. Mehta Chairman, Non-Executive, Non-Independent	2	-	-	Gujarat Sidhee Cement Limited	Chairman
2.	Mr. Jay Mehta Executive Vice Chairman, Non-Independent	3	-	1	1) Gujarat Sidhee Cement Limited 2) ADF Foods Limited	1) Executive Vice Chairman, Non-Independent 2) Non-Executive, Independent Director
3.	Mr. Hemang D. Mehta Non-Executive, Non-Independent	-	-	-	-	-
4.	Mr. Hemnabh Khatau Non-Executive, Non-Independent	2	-	-	Gujarat Sidhee Cement Limited	Non-Executive, Non-Independent Director

Sr. No	Name of the Director	Other* Directorships	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
5.	Mr. M. N. Rao Non-Executive, Independent	1	-	2	Gujarat Sidhee Cement Limited	Non-Executive, Independent Director
6.	Mr. B. P. Deshmukh Non-Executive, Independent	-	-	-	-	-
7.	Mr. K. N. Bhandari Non-Executive, Independent	9	5	6	1) Shristi Infrastructure Development Corporation Limited 2) Gujarat Sidhee Cement Limited 3) Hindalco Industries Limited 4) Jaiprakash Powers Ventures Limited 5) Jaiprakash Associates Limited	Non-Executive, Independent Director
8.	Mr. Jayant N. Godbole Non-Executive, Independent	5	4	5	1) J.K. Cement Limited 2) Emami Paper Mills Limited 3) Kesar Terminals & Infrastructure Limited	Non-Executive, Independent Director
9.	Mr. Bimal Thakkar Non-Executive, Independent	3	-	2	1) Gujarat Sidhee Cement Limited 2) ADF Foods Limited	1) Non-Executive, Independent Director 2) Executive Director, Managing Director
10.	Mrs. Bhagyam Ramani Non-Executive, Independent	8	-	6	1) Capri Global Capital Limited 2) Gujarat Sidhee Cement Limited 3) Lloyds Metals and Energy Limited	Non-Executive, Independent Director
11.	Mr. Ashwani Kumar	3	-	-	Gujarat Sidhee Cement Limited	Non-Executive, Independent Director
12.	Mr. M.S. Gilotra Managing Director, Non-Independent	1	-	2	Gujarat Sidhee Cement Limited	Executive Director, Managing Director

* Includes Directorships of Indian Public Limited companies other than Saurashtra Cement Limited.

** Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (whether listed or not) other than Saurashtra Cement Limited.

Agenda

The agenda papers backed by the information (except for the price sensitive information, which is circulated at the meeting) as provided at Annexure A of the Secretarial Standards (SS-1) on "Meeting of Board of Directors" issued by the Council of Institute of Company Secretaries of India (ICSI) and approved by the Central Government read along with Part A of Schedule II of SEBI (LODR) Regulations, 2015 are circulated to the Directors atleast seven working days prior to the Board Meeting. Additional agenda in the form of 'Other Business" are included with the permission of the Chairman and with the consent of the majority of the Independent Directors present at the meeting.

Invitees & Proceedings

Apart from the Board members, the Company Secretary (CS) and Chief Financial Officer (CFO) also attend all the Board & Committee Meetings. Other senior management executives of the Company / Associate Company are also invited to provide inputs for the items being discussed by the Board. The Managing Director and CFO make presentation on the quarterly and annual operating and financial performance and on annual budget at the Board and Audit Committee meeting respectively. The Chairman of various 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.

Independent Directors

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their re-appointment has been approved by the Members of the Company at the Annual General Meeting held on 14th August 2018 and 21st August 2019. None of the Independent Directors serve as "Independent Director" in more than 7 (seven) listed companies.

As per Schedule IV of the Companies Act, 2013 and Regulation 25 (3) and (5) of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 12th May 2020 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 effectively discharge its duties between the Company's management and its Board.

As per the Ministry of Corporate Affairs (MCA) notification dated October 22, 2019, which notified the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 effective from December 01, 2019, all the Independent Directors have uploaded their details in the data bank of Indian Institute of Corporate Affairs (IICA).

Familiarization Programme for the Directors including Independent Directors

Newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The program also includes a visit to the plant to familiarize with all facets of cement manufacturing.

On an on-going basis, periodic presentations are made at the Board and Committee meetings, on operations and performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan. The Directors are also provided with quarterly update on relevant statutory changes and important amendments.

In accordance with the requirements of SEBI (LODR) Regulations, 2015, the familiarization programme is conducted by the Company for the Independent Directors and number of hours spent and other details is uploaded on the website of the Company at the following link http://scl.mehtagroup.com/announcements/familiarization-program-for-independent-directors-for calendar year 2020

Annual Evaluation by the Board of its Own Performance, its Committees and Individual Directors

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors has put in place a mechanism for evaluation of its performance, Committee's Performance and the Performance of the Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings, domain knowledge, and coalition in the Board Meeting, awareness and observation of Governance etc. Accordingly, evaluation sheet gets circulated to each and every Board member and the Board carried out annual performance evaluation of the entire Board, Individual Directors including Chairman at its meeting held on 18th May 2020. The result of the evaluation was found satisfactory and adequately meets the requirements of the Company.

As per the amended regulations of SEBI (LODR) Regulations, 2015, the Board is required to review the core skills / expertise / competencies identified by the Board as required in the context of its business & sectors to function effectively. The matrix in this regard as provided in the SEBI (LODR) Regulations, 2015 Schedule V(c)(h) given below:

Sr. No.	Skills / Expertise / Competence	Available with the Board (Yes / No)	Name of the Directors who have such skills / expertise / competence
1.	Technical Expertise	Yes	Mr. M. N. Mehta, Mr. Hemang D. Mehta , Mr. Jay Mehta, Mr. Hemnabh Khatau, Mr. M. N. Rao, Mr. Jayant Godbole, Mr. M.S.Gilotra
2.	Legal Expertise	Yes	Mr.K.N.Bhandari, Mr.B.P.Deshmukh
3.	Industry Expertise	Yes	Mr. M.N. Mehta, Mr. Hemang D. Mehta, Mr. Jay Mehta, Mr. M. N. Rao, Mr. M. S. Gilotra
4.	Finance Expertise	Yes	Mr. M.N. Mehta, Mr. Jay Mehta, Mr. Hemnabh Khatau, Mr. M. N. Rao, Mr. Bimal Thakkar, Mr. K.N. Bhandari, Mr. B. P. Deshmukh, Mr. Jayant Godbole, Mrs. Bhagyam Ramani, Mr. Ashwani Kumar, Mr. M. S. Gilotra
5.	Strategy	Yes	Mr. M. N. Mehta, Mr. Bimal Thakkar, Mr. Jay Mehta, Mr. M. N. Rao, Mr. M.S. Gilotra, Mr. Jayant Godbole, Mr. K. N. Bhandari, Mrs.Bhagyam Ramani, Mr. Hemang D. Mehta, Mr. B. P. Deshmukh, Mr. Hemnabh Khatau, Mr. Ashwani Kumar
6.	Marketing Expertise	Yes	Mr. M.N. Mehta, Mr. Hemang D. Mehta, Mr. Jay Mehta, Mr. Bimal Thakkar, Mr. Ashwani Kumar, Mr. M.S.Gilotra

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Audit Committee

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes.

The Audit Committee of the Board comprises of four members viz. Mr. M. N. Rao, Mr. K. N. Bhandari, Mrs. Bhagyam Ramani and Mr. M.S. Gilotra. Mrs. Bhagyam Ramani was appointed as Member of the Committee w.e.f. 08.08.2019. Mr. M. N. Rao is the Chairman of the Audit Committee and was present at the last AGM.

During the year, five meetings of the Audit Committee were held. The meetings were held on 25th day of May 2019, 08th day of August 2019, 14th day of November 2019, 11th day of February 2020 and 14th day of February 2020. Partners/ Representatives from Internal Auditors and Statutory Auditors also attended the meetings. Details of Audit Committee Meetings attended by the Audit Committee Members are given below:

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1.	Mr. M. N. Rao, Chairman	5	5
2.	Mr. K. N. Bhandari, Member	5	5
3.	Mrs. Bhagyam Ramani, Member	5	4
4.	Mr. M. S. Gilotra, Member	5	5
5	Mr. S. V. S. Raghavan @	5	1

@ Mr. S.V.S. Raghavan ceased to be the Member of the Committee w.e.f 25.5.2019 (Closure of business hours)

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 are as follows:-

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 with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:

a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of the Section 134 of the Companies Act, 2013;
b) changes, if any, in accounting policies and practices and reasons for the same;
c) major accounting entries involving estimates based on the exercise of judgment by management;
d) significant adjustments made in the financial statements arising out of audit findings;
e) compliance with listing and other legal requirements relating to financial statements;
f) disclosure of any related party transactions;
g) modified opinion(s) in the draft audit report;

5. Review, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approve transactions of the Company with related parties and any subsequent modification;
9. Scrutinize inter-corporate loans and investments;
10. Consider Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate internal financial controls and risk management systems;
12. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discuss with Internal Auditors of any significant findings and follow up there on;
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower / Vigil Mechanism;
19. Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Review the utilization of loans and / or advances from / investment by the company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. To review the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)
22. Carry any other function as is mentioned in the terms of reference of the Audit Committee.

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, the Committee had one meeting. The meeting was held on the 25th day of May 2019. Details of CSR Committee Meeting attended by the Members are given below:

Members of the CSR Committee	No. of meetings held	No. of meetings attended
Mr. Jay Mehta, Executive Vice Chairman	1	1
Mr. M. S. Gilotra, Member	1	1
Mr. Jayant N. Godbole, Member	1	1
Mr. Bimal Thakkar, Member	1	1

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 there under and Schedule VII of the Act.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning.

The Nomination and Remuneration Committee comprises of four directors viz. Mr. M. N. Rao, Mr. K. N. Bhandari, Mr. Bimal Thakkar and Mr. Ashwani Kumar. Mr. Ashwani Kumar was appointed as Member of the Committee w.e.f. 25.05.2019.

During the year, two meetings were held, which was on 24th day of May 2019 and 13th day of November 2019.

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

Sr. No.	Members of Nomination & Remuneration Committee	No. of meetings held	No. of meetings attended
1.	Mr. K. N. Bhandari (Chairman)#	2	2
2.	Mr. M.N.Rao (Member)	2	2
3.	Mr. Bimal Thakkar (Member)	2	2
4.	Mr. Ashwani Kumar (Member)	2	1
5	Mr. S.V.S. Raghavan (Chairman) @	2	1

@ Mr. S.V.S. Raghavan ceased to be the Chairman of the Committee w.e.f 25.5.2019 (Closure of business hours.)

Mr. K. N. Bhandari has been appointed as Chairman of the Committee in place of Mr. S.V.S. Raghavan.

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;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration / Compensation Policy

The Company has a Nomination and Remuneration Committee Charter and Compensation Policy in place. Remuneration policy of 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 are complied.

The Remuneration paid to Executive / Non-Executive Directors is paid as per the Companies Act 2013. Sitting Fees being paid to Non-Executive/ Independent Directors does 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 such meetings.

Details of Remuneration of Directors paid for the Financial Year 2019-20

Executive Directors **(₹ in Lakhs)**

Name	Salary & Allowan-ces	Commi-ssion *	Perqui-sites	Contribution to Super-annuation (Taxable)	ESOP **	Total	Exempt Benefits		Total
							Contri-bution to PF	Contribution to Superannuation	
Mr. Jay M Mehta, Executive Vice Chairman	276.70	104.72	0.40	22.80	-	404.62	19.44	1.50	425.56
Mr. M. S. Gilotra, Managing Director	237.83	69.82	0.40	17.12	18.24	343.41	14.90	1.50	359.81

The above Executive Directors were appointed for a period of 5 years effective from 1.1.2016 and the appointment(s) can be terminated by either side by giving three months' notice in writing. No Severance fees is applicable to the above Directors.

(*)Payable

(**)ESOP is granted at ₹ 10/- (face value of shares). For the exercise period and accrual, details are given under the head 'Employees Stock Option Scheme' in the Directors' Report.

Non-Executive Directors

The Board of Directors at its meeting held on 14th day of November 2019 and based on the recommendation of Nomination and Remuneration Committee has revised the sitting fees to be paid to Non-Executive Directors for attending meetings of Board and its Committees.

The Directors were paid sitting fees of ₹ 75,000/- per meeting for attending the meeting of the Board, Audit Committee and Independent Directors Meeting, ₹ 60,000/- for Nomination & Remuneration Committee. The sitting fees is ₹ 30,000/- per meeting for Stakeholders Relationship & Grievances Committee, CSR Committee, Allotment Committee and Finance Committee or any other Committee of the Board attended by them.

The detail of sitting fees paid to Directors is given below:-

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)	5	-	5	3,25,000
2.	Mr. Hemang D. Mehta	5	-	5	3,25,000
3.	Mr. Hemnabh Khatau	5	-	5	3,25,000
4.	Mr. S.V.S.Raghavan*	1	3	4	2,00,000
5.	Mr. M.N. Rao	5	8	13	8,10,000
6.	Mr. B.P. Deshmukh	5	4	9	4,45,000
7.	Mr. K.N. Bhandari	5	8	13	8,10,000
8.	Mr. Bimal R. Thakkar	5	12	17	7,05,000
9.	Mr. Jayant N. Godbole	5	2	7	3,95,000
10.	Mrs. Bhagyam Ramani	5	8	13	7,20,000
11.	Mr. Ashwani Kumar	5	2	7	4,35,000
	Total				**54,95,000**

*Mr. S. V. S. Raghavan ceased to be the Director w.e.f. 25.05.2019 (Closure of business hours.)

Stakeholders Relationship & Grievances Committee

To protect the interest of the stakeholders and to resolve their grievances at the earliest level, the Company has constituted the Committee viz, Stakeholders Relationship & Grievances Committee which comprises of Mr. Bimal Thakkar, Mr. Jay Mehta and Mr. M. S. Gilotra. Mr. Bimal Thakkar is the Chairman of the Stakeholders Relationship & Grievances Committee. Ms. Sonali Sanas, Sr. Vice President (Legal) & Company Secretary is designated as the Compliance Officer who oversees the redressal of the investor grievances.

During the year, four meetings of the Committee were held. The meetings were held on the 25th day of May 2019, 08th day of August 2019, 14th day of November 2019 and 10th day of February 2020. Details of the meetings attended by the members are given below:

Sr. No.	Members of Stakeholders Relationship & Grievances Committee	No. of meetings held	No. of meetings attended
1.	Mr. Bimal Thakkar (Chairman)	4	4
2.	Mr. Jay Mehta (Member)	4	4
3.	Mr. M.S. Gilotra (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 & Grievances Committee is circulated and noted by the Board of Directors at the subsequent Board Meetings.

Terms of Reference of the Committee are as follows:-

a) To resolve the grievances of the Shareholders of the Company including complaints related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

Allotment Committee

The Committee has been constituted for allotment and post-allotment activities of the shares being issued by the Shareholders / Board of Directors. The scope of work of this Committee is to approve allotment, issue of share certificate / letter of allotment, offer letter and information memorandum.

During the year, the Committee had three meetings which were held on 25th May 2019, 9th August 2019 and 11th February 2020.

Composition and detail of Allotment Committee Meeting attended by the Members is given below:

Members of the Allotment Committee	No. of meetings held	No. of meetings attended
Mr. B. P. Deshmukh (Chairman)	3	3
Mr. Bimal Thakkar (Member)	3	3
Mrs. Bhagyam Ramani (Member)	3	3
Mr. M. S. Gilotra (Member)	3	3

The approved minutes of the Allotment Committee is noted by the Board of Directors at its subsequent Board meeting.

Terms of Reference of the Committee are as follows

a) To recommend to the Board of Directors for issue, offer of company's securities;

b) To carry out all necessary pre and post allotment activities relating to the allotment;

c) To issue certificate, letter of offer, and approving such allotment; and

d) To allot shares to all the eligible employees from time to time who will be exercising the options granted to them under Saurashtra Employee Stock Option Scheme 2017.

Finance Committee

The Committee was constituted for taking decisions on urgent requirements of finance for the operations of the Company.

The Committee comprises of four Directors viz. Mr. M. N. Mehta, Chairman, Mr. Jay Mehta, Executive Vice Chairman, Mr. Bimal Thakkar, Independent Director and Mr. M. S. Gilotra, Managing Director.

During the year, the Committee had six meetings. These were held on the 8th day of July, 2019, 19th day of September, 2019, 16th day of October, 2019, 14th day of November, 2019, 25th day of November, 2019 and 3rd day of February, 2020.

Composition and detail of Finance Committee Meeting attended by the Members is given below:

Members of the Finance Committee	No. of meetings held	No. of meetings attended
Mr. M. N. Mehta (Chairman)	6	0
Mr. Jay Mehta (Member)	6	6
Mr. Bimal Thakkar (Member)	6	1
Mr. M. S. Gilotra (Member)	6	5

The approved minutes of the Allotment Committee is noted by the Board of Directors at its subsequent Board meeting.

Vigil Mechanism / Whistle Blower Policy

This "**Whistle Blower Policy**" of the Company has been established / adopted in terms of the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board & its Powers) Rules, 2014 **read with Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time, which requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for its Directors and Employees, to report genuine concerns, and to freely communicate their concerns about illegal or unethical practices. The Vigil Mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.** The said Policy has been revised in accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 2018.

This Policy is intended to check that whenever any unacceptable/improper practice and/or any unethical practice and/or any **instances of leak of unpublished price sensitive information and/ or** any other genuine concern is reported by a Director or an employee, proper action is taken to check such practice/wrongdoing and the concerned Director or employee is protected / safeguarded against any adverse action and/or any discrimination and/or victimization for such reporting.

The directors and employee(s) may approach the audit committee in the first instance or after bringing it to the attention of the management and not being addressed to concerned persons satisfaction.

The name and e-mail address 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 Scl-mum@mehtagroup.com

This policy is applicable to all the directors and employees of the Company. The policy is also posted on the website of the Company at the following link http://scl.mehtagroup.com/policy/whistle-blower-policy

General Body Meetings

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
2018-19	21.08.2019	10.00 a.m.	Registered office of the Company	NIL
2017-18	14.08.2018	10.00 a.m.	Registered office of the Company	₹ 1/- per share on 6,91,91,065 fully paid-up Equity Shares for the Financial year ended 31st March 2018
2016-17	26.07.2017	10.00 a.m.	Registered Office of the Company	₹ 1/- per share on 6,91,91,065 fully paid-up Equity Shares for the Financial year ended 31st March 2017

The details of special resolutions passed in the previous three Annual General Meetings are as follows:

Financial Year	Date of AGM	Particulars of Special Resolution
2018-19	21.08.2019	1. Approval for continuation of holding of office by Mr. B. P. Deshmukh (DIN: 00002357) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
		2. Approval for continuation of holding of office by Mr. Jayant Godbole (DIN: 00056830) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
		3. Approval for Related Party Transactions (RPT) pursuant to Section 188 of the Companies Act, 2013 and rules made there-under and applicable SEBI (LODR) Regulation, 2015.
2017-18	14.08.2018	1. Appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W /W100136) as Statutory Auditor of the Company for the Financial Year 2018-19 and up to Financial Year 2021-2022.
		2. Ratification of Cost Auditors remuneration to be paid to M/s. V. J. Talati & Co., Cost Accountants for the Financial Year ending 31st March, 2019.
		3. Re-appointment of Mr. S. V. S. Raghavan (DIN:00111019) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.
		4. Re-appointment of Mr. M. N. Rao (DIN:00027131) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.
		5. Re-appointment of Mr. K. N. Bhandari (DIN:00026078) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.
		6. Re-appointment of Mr. B. P. Deshmukh (DIN:00002357) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.
		7. Re-appointment of Mr. Jayant N. Godbole (DIN:00056830) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April 2019 to 31st March 2024.

Financial Year	Date of AGM	Particulars of Special Resolution
		8. Re-appointment of Mr. Bimal Thakkar (DIN: 00087404) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April 2019 to 31st March 2014.
		9. Re-appointment of Mr. P. K. Behl (DIN:00653859) as an Independent Director of the Company for another term of five consecutive years with effect from 30th May 2019 to 29th May 2024.
		10. Re-appointment of Mrs. Bhagyam Ramani (DIN: 00107097) as an Independent Director of the Company for another term of five consecutive years with effect from 4th August, 2019 to 3rd August, 2024.
		11. Payment of Remuneration to Mr. Jay Mehta (DIN: 00152072), Executive Vice Chairman from 1st January 2019 till 31st December, 2020.
		12. Payment of Remuneration to Mr. M. S. Gilotra (DIN: 00152190), Managing Director from 1st January 2019 till 31st December 2020.
		13. Approval for Overall Managerial Remuneration payable to Directors including Executive Vice Chairman and Managing Director.
		14. Approval for continuation of holding of office by Mr. M. N. Mehta (DIN: 00632865) as a Non-Executive Chairman of the Company beyond the age of 75 years.
		15. Approval for continuation of holding of office by Mr. S. V. S. Raghavan (DIN: 00111019) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
		16. Approval for continuation of holding of office by Mr. M. N. Rao (DIN: 00027131) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
		17. Approval for continuation of holding of office by Mr. K. N. Bhandari (DIN: 00026078) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
2016-17	26.07.2017	1. Confirmation and ratification in the revision of remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for the period 1.1.2014 to 31.3.2015.
		2. Payment of remuneration to Mr. M. S. Gilotra, Managing Director as per revised Schedule V under the Companies Act, 2013.
		3. Approval of Saurashtra Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017) and authorizing the Board of Directors to grant 6919106 (Sixty nine lakhs nineteen thousand one hundred and six) employee stock options to the permanent employees and Directors of the Company.
		4. Authorizing Board of Directors to grant Employee Stock Options under ESOS 2017 to the employees of Subsidiary company.

No resolutions were put for voting through postal ballot.

Extraordinary General Meetings

No Extraordinary General Meeting was held during the year.

Special Resolutions

As stated above.

Disclosures

Transactions with Related Party / Material Nature

During the year under review, 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. 37.2 of Notes forming part of financial statements.

Penalties & Strictures

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three (3) years.

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.

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.

Disclosure of Accounting Treatment

In preparation of Financial Statements, the Company has followed the Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

Disclosure on Risk Management

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

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 have complied with the code of conduct forms part of this report.

CEO / CFO Certification

Certificate from the Executive Vice Chairman, Managing Director and CFO on the Audited / Unaudited Financial Statements of the Company for each quarter and annual financial results were placed before the Board.

Policy for preservation of documents

The Company has a policy for preservation of documents in place. The said policy is available at web-link http://scl.mehtagroup.com/policy/scl_policy-for-preservation-of-documents.

Policy for determination of material event and price sensitive information

The Company has a policy for determination of material event and price sensitive information in place. The said policy is available at web-link http://scl.mehtagroup.com/policy/scl_policy-for-determination-of-event.

Code of Conduct for Prohibition of Insider Trading

The Company has a policy for Prohibition of Insider Trading. The said policy is available at web-link http://scl.mehtagroup.com/policy/code-of-conduct-for-insider-trading.

Policy and Procedure for Enquiry in case of leak of Unpublished Price Sensitive Information or Suspected leak of Unpublished Price Sensitive Information

The Company has a policy for enquiry in case of leak of Unpublished Price Sensitive Information or Suspected leak of Unpublished Price Sensitive Information. The said policy is available at web-link http://scl.mehtagroup.com/policy/policy-and-procedure-for-enquiry-in-case-of-leak-of-upsi.

Policy and Procedure for sharing of Unpublished Price Sensitive Information for Legitimate Purpose

The Company has a policy for sharing of Unpublished Price Sensitive Information for Legitimate purpose. The said policy is available at web-link http://scl.mehtagroup.com/policy/policy-and-procedure-for-sharing-of-upsi-for legitimate purpose.

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'** constituted under this policy comprising senior officials (including senior women employee) of the Company and an independent member from NGO, 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.

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 Business Standard, 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.

General Shareholders Information

Audited results for the current Financial Year ended 31st March 2020	18th May 2020	
Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2019) Quarter II (ending 30.9.2019) Quarter III (ending 31.12.2019)	08.08.2019 14.11.2019 11.02.2020
Annual General Meeting is proposed to be held	Thursday, the 24th September, 2020	
Date of Book closure	Friday, the 18th September, 2020 to Thursday, the 24th September, 2020 (both days inclusive)	

Listing of Equity Shares on Stock Exchange at

Name(s) of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE Limited)	Security Code: 502175
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.	ISIN: INE626A01014

Listing Fees

The Company has paid Listing Fees for the financial year 2020-2021 to the BSE Limited where the Company's shares are listed.

Registrar & Share Transfer Agent

The Company has appointed M/s. Link Intime India Pvt Ltd as Registrar and Share 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 31.3.2020 is pending relating to transfer of security.

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.

Distribution of Shareholding as on 31.3.2020:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	9945	83.38	1313176	1.89
501 – 1000	880	7.38	738486	1.06
1001 – 2000	457	3.83	725327	1.04
2001 – 3000	169	1.42	437764	0.63
3001 – 4000	82	0.69	298335	0.43
4001 - 5000	95	0.79	447437	0.64
5001 - 10000	153	1.28	1171708	1.69
10001 - above	147	1.23	64386216	92.62
Total	**11928**	**100.00**	**69518449**	**100.00**

Shareholders Profile as on 31.3.2020

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	11	0.09	46297653	66.60
Bodies Corporate	202	1.69	5169653	7.44
NRIs	417	3.50	254097	0.37
FIIs	4	0.03	1810	0.00
Financial Institutions	2	0.02	272737	0.39
UTI & Insurance Companies	7	0.06	192487	0.28
Banks	7	0.06	151550	0.22
Mutual Fund	1	0.01	100	0.00
Foreign Companies	1	0.01	2470000	3.55
Indian Public	11276	94.53	14708362	21.15
Total	**11928**	**100.00**	**69518449**	**100.00**

Dematerialization of shares

As on 31.3.2020, 69179847 equity shares constituting 99.51% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

Stock Market price data for the period 2019-2020

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 2019 to March 2020 are as under:-

Month	High (in ₹)	Low (in ₹)	Closing (in ₹)	Volume (No. of Shares traded)
April 2019	52.00	45.65	45.85	2,10,569
May 2019	50.95	44.10	48.95	2,66,386
June 2019	49.00	40.05	41.70	91,881
July 2019	43.40	34.70	35.05	1,34,691
August 2019	41.70	31.05	34.90	2,23,519
September 2019	41.45	33.05	37.25	2,29,249
October 2019	44.60	35.05	43.85	1,72,955
November 2019	48.00	38.40	40.50	3,57,841
December 2019	40.95	36.45	37.90	1,87,444
January 2020	50.70	37.50	42.65	5,57,986
February 2020	57.35	41.35	47.65	12,23,256
March 2020	49.75	23.00	28.10	8,35,012

Stock Performance (Indexed)

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

Performance in comparison to broad-based indices

Indices	BSE (Sensex)	SCL Quote at BSE (₹)
1 April, 2019 (Open)	38858.88	49.80
31 March, 2020 (Close)	29468.49	49.75
Increase/(Decrease)	-9390.39	-0.05
% Increase/(Decrease)	-24.17	-0.10

Plant Location
Near Railway Station,
Ranavav, Gujarat 360560.

Address for correspondence

Registered Office:
Near Railway Station,
Ranavav – 360 560,
Dist: Porbandar, Gujarat.

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 101, 247 Park, L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083.
Tel. 022- 49186000,
Fax : 022- 49186060
Contact Person : Mr. Sharad Patkar
E-mail: mumbai@linkintime.co.in

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.

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.

Other Disclosures

1. **Details of utilization of funds raised through preferential allotment of qualified institutions placement as specified under regulation 32(7A).**

   The details of utilization of funds has been included in the disclosures as required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI Requirements and forms part of the Directors Report as **Annexure C**.

2. **A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the Board /Ministry of Corporate Affairs or any such statutory authority.**

   The said certificate received from M/s. Ragini Chokshi & Co., practicing Company Secretaries forms part of the Directors Report as **Annexure F**.

3. **Secretarial Compliance Report.**

   The Company has received Secretarial Compliance Report for the year ended 31st March 2020 from M/s. Ragini Chokshi & Co, Practicing Company Secretaries, pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 and forms part of the Directors Report as **Annexure L**.

4. **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.**

   The Board has accepted all the recommendation from the Committees.

5. **Total fees for all the services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.**

   During the year, the Company has paid total fees of ₹ 20 lakhs to the Statutory Auditor.

6. **Disclosures with respect to demat suspense account / unclaimed suspense account.**

   The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **None**

b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: **None**

c) Number of shareholders to whom shares were transferred from suspense account during the year: **None**

d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **None**

e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **N.A.**

(g) The security of the Company was never suspended from trading during the year 2019-20.

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) Auditor's Opinion:

The Company's Standalone Financial Statements for the year ended 31st March 2020 does not have any qualification.

(d) Separate posts for chairperson and chief executive officer:

The position of the Chairman of the Board of Directors and the CEO are separate.

(e) Reporting of internal auditor:

The Partner of Internal Auditor reports directly to the Audit Committee.

(f) 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". The said Code of Conduct has been revised in accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 2018. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

Subsidiary Companies

There is no material non-listed Indian Subsidiary Company as on 31-03-2020 requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary companies.

On behalf of the Board of Directors

M. S. Gilotra	**Jay Mehta**
Managing Director	Exec.Vice Chairman
(DIN: 00152190)	(DIN: 00152072)

Dated : 18.5.2020
Place : Mumbai

Declration of Compliance with the Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2020.

On behalf of the Board of Directors

M. S. Gilotra	**Jay Mehta**
Managing Director	Exec.Vice Chairman
(DIN: 00152190)	(DIN: 00152072)

Dated : 18.5.2020
Place : Mumbai

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of Saurashtra Cement Limited

Auditor's Certificate on Corporate Governance

1. We, Manubhai & Shah LLP, Chartered Accountants, the statutory auditor of Saurashtra Cement Limited (the Company) have examined the relevant records for the year ended March 31, 2020 relating to compliance of conditions of Corporate Governance stipulated as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 ('Listing Regulations') for the year ended on 31 March 2020.

Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of relevant records of the Company in accordance with the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India(the ICAI).the Standard on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

7. Based on our examination of the relevant records and according to information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABC8663

Place : MUMBAI
Date : May 18, 2020

Annexure-C

The disclosures as required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI Requirements are given below:

No. of Options outstanding at the beginning of the period	14,49,527
No. of Options forfeited/lapsed during the year	27,100
No. of Options vested during the year	5,11,812
No. of Options exercised during the year	2,14,573
No. of shares arising as a result of exercise of options	2,14,573
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	₹ 21,45,730/-
No. of options outstanding at the end of the year	12,07,854
No. of options exercisable at the end of the year	6,96,017

Employee wise details granted to :

Key Managerial Personnel

Name	Designation	No. of Options vested on 8th February 2019 and 8th February 2020	No. of options exercised	No of shares allotted
M. S. Gilotra	Managing Director	2,28,330	1,14,165	1,14,165
Rakesh Mehta	Chief Financial Officer	91,380	45,690	45,690
Sonali Sanas	Sr. Vice President-Legal & Company Secretary	52,494	20,000	20,000

Employees to whom more than 5% options granted during the year:

Name	Designation	Number of Options granted
NIL		

Employees to whom options more than 1% of issued capital granted during the year -

Nil

Utilisation of Funds :

During the year, the Company has utilized the entire amount of ₹ 21,45,730/- received towards allotment of shares to the eligible employees under Saurashtra Employee Stock Option Scheme 2017 towards working capital of the Company.

Annexure D

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 as all contracts are at arm's length basis.
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 - Related party U/s. - 2(76)(v).
(b) Nature of contracts/arrangements/transactions
a. Sale / Purchase / supply of clinker and cement at the rates fixed by the Audit Committee.
b. Availing, rendering services like administration, human resources and sharing of common expenses on agreed formula etc.
c. Brand fee for use of Brand "Hathi" as per Brand valuation report.
All above transactions are at prevailing market price and at arm's length basis.
(c) Duration of the contracts/arrangements/transactions : Nil
(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. : 25th May 2019
(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
Utilisation of their premises by the Company for official use.
(c) Duration of the contracts/arrangements/transactions
On going with the approval of the Audit Committee and 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. 25th May 2019.
(f) Amount paid as advances, if any.NIL

III. (a) Name(s) of the related party and nature of relationship
Mehta Private Limited - Related party U/s. - 2(76)(iv)
(b) Nature of contracts/arrangements/transactions
Utilisation of their residential premises as guest house for stay of Directors / Senior Executives / Consultants of the Company.
(c) Duration of the contracts/arrangements/transactions
On going with the approval of the Audit Committee and 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. : 25th May 2019.
(f) Amount paid as advances, if any. : NIL

On behalf of the Board of Directors

M. S. Gilotra
Managing Director
(DIN: 00152190)

Jay Mehta
Exec.Vice Chairman
(DIN: 00152072)

Dated : 18.5.2020
Place : Mumbai

Annexure E

Disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 relating to Director seeking appointment / re-appointment at the Annual General Meeting:

Name of Director	Mr. Jay Mahendra Mehta	Mr. M. S. Gilotra	Mr. Hemang D. Mehta
Date of Birth	18th January 1961	17th September, 1950	6th March, 1955
Date of Appointment	Initially, he joined the Board in December 1987 and was reappointed in the current term with effect from 1.1.2016.	Initially, he joined the Board in June 1995 and was reappointed in the current term with effect from 1.1.2016.	Initially he joined the Board on 16.4.1993 and was reappointed in the current term on 14.8.2018.
Expertise in specific General Functional area	Has about 3 decades of experience in Corporate and Operational Management in the cement industry.	Has 4 decades total experience which includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career, he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management.	Has about 38 years of experience in Corporate and Operational Management in the cement industry and in plastics and packaging Industry. He has worked in India, Kenya, Canada and the U.S.A.
Qualification	Graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland.	Mechanical Engineer from BITS, Pilani.	Graduated from the University of Manchester Institute of Science and Technology (UMIST), UK now known as the Manchester Business School.
List of outside Directorships held (Public Limited Companies)	Gujarat Sidhee Cement Limited. ADF Foods Limited.	Gujarat Sidhee Cement Limited.	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	Chairman of CSR Committee Member of Stakeholders Relationships & Grievances Committee and Finance Committee	Member of Audit Committee CSR Committee Stakeholders Relationships & Grievances Committee, Allotment Committee and Finance Committee	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director a) Audit Committee	Nil	Member of Audit Committee in Gujarat Sidhee Cement Limited.	Nil
b) Members Committee	Nil	Nil	Nil
Shares held by the Directors in the Company	14,630 Equity Shares	1,04,165 Equity Shares	51,534 Equity Shares

Annexure F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SAURASHTRA CEMENT LIMITED
NR Railway Station, Ranavav Gujarat 360560

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SAURASHTRA CEMENT LIMITED** having CIN L26941GJ1956PLC000840 and having registered office at NR Railway Station Ranavav Gujarat 360560 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No	Name of Director	DIN	Date of Appointment in Company
1.	Baburao Deshmukh Prataprao	00002357	30/08/2012
2.	Kailash Nath Bhandari	00026078	28/10/2005
3.	Muttavarapu Nageswara Rao	00027131	15/10/2004
4.	Jayant Narayan Godbole	00056830	28/04/2008
5.	Bimal Ramesh Thakkar	00087404	29/04/2009
6.	Bhagyam Ramani	00107097	30/05/2014
7.	Hemang D Mehta	00146580	15/10/2004
8.	Jay Mahendra Mehta	00152072	15/10/2004
9.	Mohinderpal Singh Gilotra	00152190	01/01/2009
10.	Mahendra Nanjibhai Mehta	00632865	15/10/2004
11.	Hemnabh Ranvir Khatau	02390064	25/10/2008
12.	Ashwani Kumar	02870681	13/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **Ragini Chokshi & Co**

Ragini Chokshi
(Partner)
C.P. No: 1436
Membership No: 2390
UDIN: F002390B000198641

Place : Mumbai
Date : 04/05/2020

Annexure G

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the Financial Year:**

Median remuneration of all the employees of the Company for the Financial Year 2019-2020	532717
Percentage increase in the median remuneration of employees in the Financial Year	2.76
Number of permanent employees on the rolls of the Company as on 31st March 2020	385

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees (a)	% increase in remuneration in the Financial Year 2019-2020	Notes
Executive Director			
Mr. Jay Mehta, Executive Vice Chairman	60.93 : 1	4.99%	(*)
Mr. M. S. Gilotra, Managing Director	51.46 : 1	4.80%	(#) & (@)
Other KMPs			
Mr. Rakesh Mehta, Chief Finance Officer	16.17 : 1	4.93%	(@)
Ms. Sonali Sanas, Sr. Vice President (Legal) & Company Secretary	11.40 : 1	10.01%	(@)

(a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April 2019 to 31st March 2020.

(*) The remuneration paid to Mr. Jay Mehta and the percentage increase is not comparable as the remuneration paid to Mr. Jay Mehta was as per the maximum permissible limits under the Companies Act, 2013 due to inadequacy of profits.

(#) In accordance with all applicable approvals; includes annual increments and payment of HRA in place of rent free accommodation.

(@) Employees who were granted and exercised options in the form of ESOPs in the year 2019-20 are not included, else the data would have been non-comparable.

b. **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 7.82%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.

c. **The remuneration is as per the remuneration policy of the Company.**

Annexure H

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel Rules, 2014
for the period 1-4-2019 to 31-3-2020]

To,
The Members,
SAURASHTRA CEMENT LIMITED
Near Railway Station, Ranavav - 360 560
Porbandar, Gujarat

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

Based on our verification of **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 covering 1st April, 2019 to 31st March, 2020 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 **SAURASHTRA CEMENT LIMITED** for the audit period 1st April, 2019 to 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings- **(Not Applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

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

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **(Not applicable as the Company has not issued any debt securities during the period under review)**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **(Not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable as the Company has not bought back any of its securities during the period under review.**

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

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

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.
4. Environment Protection Act, I986 and other Environmental Laws;
5. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
6. Indian Contract Act, 1872;
7. Negotiable Instruments Act, 1881;
8. Acts relating to protection of IPR;
9. The Legal Metrology Act, 2009;
10. Other local laws as applicable to various plants and offices.

Based on the Compliance Certificates obtained by the Company from the various functional heads and Factory Managers, we relied on the Compliances of the above mentioned statutes.

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

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

(ii) The Listing Agreements entered into by the Company with Stock Exchanges as specified in the Securities Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

During the reporting period, following changes took place in Independent Directors of the Company:

1. Mr. S.V.S. Raghavan resigned from the post of Independent Director with effect from 25th May, 2019 due to age related health issues.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the company has following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Share Allotment Committee of the Board of Directors has allotted 22,391 Equity Shares at the face value of ₹ 10/- each on 25th of May, 2019 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
2. The Share Allotment Committee of the Board of Directors has allotted 1,20,583 Equity Shares at the face value of ₹ 10/- each on 9th of August, 2019 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
3. The Share Allotment Committee of the Board of Directors has allotted 38,161 Equity Shares at the face value of ₹ 10/- each on 11th February, 2020 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them.
4. Scheme of Amalgamation of four wholly owned subsidiaries of the Company i.e. Pranay Holdings Limited, Prachit Holdings Limited, Reeti Investments Private Limited and Ria Holdings Limited with the Company was approved by NCLT vide its order dated 2nd of May, 2019, and the scheme is effective from appointed date i.e. 1st of April, 2018.
5. Declaration of Interim Dividend of ₹ 0.75 (Seventy five paisa only) per share on 6,94,80,288 equity shares of ₹ 10/- each fully paid up was approved in the Board Meeting held on 14th of November, 2019.
6. Declaration of Interim Dividend of ₹ 1 (Rupees one only) per share on 6,95,18,449 equity shares of ₹ 10/- each fully paid up was approved in the Board Meeting held on 14th February, 2020.

For **Ragini Chokshi & Co**

Ragini Chokshi
(Partner)
C.P. No: 1436
FCS No: 2390
UDIN: F002390B000198553

Place : Mumbai
Date : 04/05/2020

Annexure I

CSR REPORT

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	The Company has adopted the CSR policy on 9th February 2015. The same is available on the website of the Company at http://scl.mehtagroup.com/policy/csr-policy
2.	Composition of CSR Committee	Mr. Jay Mehta, Executive Vice Chairman Mr. M. S. Gilotra, Managing Director Mr. Jayant N. Godbole, Independent Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	₹ 1825.47 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 36.51 lakhs
5.	Details of CSR spent during the Financial Year	₹ 40.67 lakhs
6.	In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	N.A.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

The manner in which the amount has been spent during the Financial Year under review is given below:

Sr. No	CSR Project / Activities	Sector	Location-District (States)	Amount outlay ₹ in Lakhs	Amount spent on programs ₹ in Lakhs	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through Implementing Agency
1.	Running of Schools, extra coaching classes to under-privileged students nearby areas, distribution of educational kits, cementing the areas for prayer and assembly in the school, distribution of water bottles, Donation to NGOs, Social Organization, Educational Institutions, Arya Kanya Gurukul for development of educational activities.	Educational Activities	Ranavav, Dist : Porbandar, nearby villages of Ranavav Taluka,	30.51	34.22	34.22	Direct
2.	Desilting work carried out in 08 villages under Jal Sanchay Abhiyan & Sujlam Suflam Jal Abhiyan 2019 undertaken by the Government of Gujarat	Rural Development Project	8 villages	2.00	2.00	2.00	Direct
3.	Environmental	Environmental Projects	Porbandar	2.00	-	-	
4.	Ventilators donated to Civil Hospital, Porbandar	Health	Porbandar	2.00	4.45	4.45	Direct
	Total			**36.51**	**40.67**	**40.67**	

For and on behalf of the Board

Jay Mehta
Executive Vice Chairman &
Chairman of the CSR Committee

Annexure J

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

a) **Steps taken or impact on Conservation of Energy.**

1. Modification of coal conveying pipeline to reduce number of bends and diameter of the pipeline.
2. Installation of VFD in coal firing blowers (03 numbers).
3. Modification of raw mill roller sealing doors to reduce the false air.
4. Raw mill lower ring modification to reduce the pressure drop across raw mill.
5. Modification of liners of coal mill no.3 to reduce the residue of coal mill.
6. Installation of dynamic separator at cement mill no.3.
7. Installation of 15 kw compressor for cement silo top bag filters in place of 110 kw packing plant compressor.
8. Reduction of distribution voltage in packing plant and crusher.
9. Installation of 30 kw VFD at raw mill silo top bag filter fan.
10. Induction of PIR (Passive infra red) sensors at load centers and offices.
11. Installation of DELTA / STAR convertors in belt circuits.

b) **Steps taken by the Company for utilising alternate sources of energy:**

- Installation of Liquid AFR and solid AFR feeding systems in ILC and SLC.
- Installation of shredder for sizing of solid AFR material.

c) **The capital investment on energy conservation equipment :**

- Capital invested for items mentioned in (a) and (b) above during the year was ₹ 350 lakhs.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption :

1. Upgradation of ESP 2 and 3 panels with new controllers.
2. Phola phone (ear sonic) provided at coal mill no.3.
3. Totalizer for water consumption provided at CCR for cement mills, GCT and Raw mill.
4. PIR motion sensor, lamps installation for power saving.
5. Weigh sensor installation in lift for better safety.
6. Installation of new 132 kv transformer C&R panel with digital protection relays.
7. Astronomical time switches installed in street lighting.
8. Use of ABB Dodge make bearings (patented integral adaptor mounting design) resulted enhanced bearings life and ease of maintenance.
9. Provided online nitrogen monitoring system in raw mill accumulators.
10. High velocity oxygen fuel (HVOF) coating was done on the worn Renk Pinion shaft for cold repair.
11. Body cleaning stations provided instead of compressed air for enhanced safety of workers.
12. Change in location of coal firing at ILC and SLC to reduce the NOx.

13. Split feeding system installed in ILC to reduce the NOx.
14. Installation of mixing chamber at bag house inlet for proper distribution of hot gases.
15. Usage of limestone dosage along with Petcoke to reduce the sulphur in the pyro process.
16. Usage of high LOI pond ash in production of PPC cement.

b) Benefits derived like product improvement, cost reduction, product development or import substitution:

1. Reduction in power consumption.
2. Reduction in stack emission.
3. Optimization of kiln process.

c) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year);

Nil

d) Expenditure incurred on Research and Development (R&D);

Expenditure incurred ₹ 240 lakhs.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2019-20 (₹ in Lakhs)	Previous Year 2018-19 (₹ in Lakhs)
Foreign Exchange earned	**1890.70**	2843.99
Foreign Exchange used	**9749.39**	10354.18

Annexure K

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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:**

	CIN	L26941GJ1956PLC000840
1.	Registration Date	11th June, 1956
2.	Name of the Company	SAURASHTRA CEMENT LIMITED
3.	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
4.	Address of the Registered office & contact details	Near Railway Station, Ranavav – 360560 (Gujarat) Tel. No. 02801-235001 / 7 , 02801-304200 Fax : 02801-304376 E-mail : sclinvestorquery@mehtagroup.com Website: www.saurashtracementlimited.com
5.	Whether listed company	Yes
6.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai – 400 083 Tel No. 022 49186000 Fax : 022-49186060

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	Agrima Consultants International Limited	U74210MH1988PLC047543	Subsidiary	100	2 (87)

A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/ HUF	4784668	3080	4787748	6.91	4784668	200	4784868	6.88	-0.03
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	27345304	-	27345304	39.44	27345304	-	27345304	39.34	-0.10
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub -Total (A)(1)	**32129972**	**3080**	**32133052**	**46.35**	**32129972**	**200**	**32130172**	**46.22**	**-0.13**
(2)	**Foreign**									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	18952349	-	18952349	27.33	18952349	-	18952349	27.26	-0.07
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub -Total (A)(2)	**18952349**	**-**	**18952349**	**27.33**	**18952349**	**-**	**18952349**	**27.26**	**-0.07**
	Total shareholding of Promoter (A)=(A)(1) + (A)(2)	**51082321**	**3080**	**51085401**	**73.68**	**51082321**	**200**	**51082521**	**73.48**	**-0.20**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds / UTI	-	1250	1250	-	-	1250	1250	-	-
b)	Banks / FI	423437	850	424287	0.61	423437	850	424287	0.61	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance companies	190927	410	191337	0.28	190927	410	191337	0.28	-
g)	FIIs	-	1810	1810	0.00	-	1810	1810	0.00	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	614364	4320	618684	0.89	614364	4320	618684	0.89	-
2.	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	3835371	17076	3852447	5.56	5005408	17076	5022484	7.23	1.67
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	4353632	297778	4651410	6.70	4657833	287106	4944939	7.11	0.41
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5479347		5479347	7.90	4359513	-	4359513	6.27	-1.63
c)	Others (specify)									
	HUF	690487	0	690487	1.00	619042	-	619042	0.89	-0.11
	Non Resident Indians	203400	30100	233500	0.34	224197	29900	254097	0.37	0.03
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Companies	2470000	-	2470000	3.56	2470000	-	2470000	3.55	-0.01
	Clearing Members	255038	-	255038	0.37	147169	-	147169	0.21	-0.16
	Trusts	1000	-	1000	0.00	-	-	-	-	-
	Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2):-	17288275	344954	17633229	25.43	17483162	334082	17817244	25.63	0.20
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**17902639**	**349274**	**18251913**	**26.32**	**18097526**	**338402**	**18435928**	**26.52**	**0.20**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**68984960**	**352354**	**69337314**	**100.00**	**69179847**	**338602**	**69518449**	**100.00**	**-**

B) Shareholding of Promoter:

Sr.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Jagmi Investments Limited	5175000	7.46	100.00	5175000	7.45	100.00	-0.01
2	The Mehta International Limited	3750	0.01	100.00	3750	0.01	100.00	-
3	The Arj Investment Limited	1773599	2.56	-	1773599	2.55	-	-0.01
4	Samja Mauritius Limited	8000000	11.54	-	8000000	11.51	-	-0.03
5	Sampson Limited	4000000	5.77	100.00	4000000	5.75	100.00	-0.02
6	Pallor Trading Co. Pvt. Ltd.	25136	0.04	100.00	25136	0.04	100.00	-
7	Sameta Export Pvt. Ltd.	123531	0.18	100.00	123531	0.18	100.00	-
8	Villa Trading Co. Pvt. Ltd	13658167	19.70	73.22	13658167	19.65	73.22	-0.05
9	Gujarat Sidhee Cement Limited	100	0.00	-	100	0.00	-	-
10	Parsec Enterprises Private Limited	13538370	19.53	-	13538370	19.47	-	-0.06
11	Mahendrabhai N Mehta	28480	0.04	-	28480	0.04	-	-
12	Dhirendra N Mehta	44050	0.06	-	44050	0.06	-	-
13	Hemang D Mehta	51534	0.07	-	51534	0.07	-	-
14	Jay M Mehta	14630	0.02	-	14630	0.02	-	-
15	Sunayanaben M Mehta	6000	0.01	-	6000	0.01	-	-
16	Medhavini D Mehta	90634	0.13	-	90634	0.13	-	-
17	Umade D Mehta	26000	0.04	-	26000	0.04	-	-
18	Kamalakshi D Mehta	18400	0.03	-	18400	0.03	-	-
19	Juhi Chawla Mehta	24650	0.04	-	24650	0.04	-	-
20	Radha Mahendra Mehta	5100	0.01	-	5100	0.01	-	-
21	Anisha Hemang Mehta	100	0.00	-	100	0.00	-	-
22	Devika Hemang Mehta	100	0.00	-	100	0.00	-	-
23	Nirmala Ranvir Khatau	12935	0.02	-	12935	0.02	-	-
24	Sudhir Babulal Shah	168830	0.24	-	168830	0.24	-	-
25	Jahnavi Jay Mehta	1656713	2.39	-	1656713	2.38	-	-0.01
26	Arjun Jay Mehta	1656712	2.39	-	1656712	2.38	-	-0.01
27	Promilla Khanna	650000	0.94	-	650000	0.94	-	-
28	Subash Chandra Khanna	132880	0.19	-	130000	0.19	-	-
29	Arja Shridhar	200000	0.29	-	200000	0.29	-	-
	TOTAL	**51085401**	**73.68**	**-**	**51085401**	**73.48**	**-**	**-0.20**

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	Subash Chandra Khanna	01/04/2019	At the beginning of the year	132880	0.19	132880	0.19
			Sold on 20-09-2019			-2880	0
		Shares held at the end of the year.				130000	0.19

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 01/04/2019		Cumulative Shareholding during the Year 31/03/2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Toro Managers Limited	2470000	3.56	2470000	3.55
2.	Sankul Retailers Pvt. Ltd	-	-	1489277	2.14
3.	Finquest Financial Solution Pvt. Ltd.	1095156	1.58	1302834	1.87
4.	Ruchit Bharat Patel	898191	1.30	278846	0.40
5	Hardik B Patel	718997	1.04	116066	0.17
6.	Arun Nahar	610026	0.88	610026	0.88
7.	Runner Marketing Pvt. Ltd	600000	0.87	600000	0.86
8.	Vibgyor Investors & Developers Pvt. Ltd.	600000	0.87	600000	0.86
9.	Premji K. Ruparel	564430	0.81	564430	0.81
10.	Esma Industries Pvt. Limited	316288	0.46	316288	0.46
11.	Minal Bharat Patel	284487	0.41	94329	0.14
12.	Priti Premji Ruparel	257248	0.37	257248	0.37

The shares of the Company are traded on a regular basis hence date wise 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-2019	At the beginning of the year	28480	0.04	28480	0.04
		31-Mar-2020	At the end of the year			28480	0.04
2	Jay M Mehta (Executive Vice Chairman)	1-Apr-2019	At the beginning of the year	14630	0.02	14630	0.02
		31-Mar-2020	At the end of the year			14630	0.02
3	Hemang D Mehta (Director)	1-Apr-2019	At the beginning of the year	51534	0.07	51534	0.07
		31-Mar-2020	At the end of the year			51534	0.07
Key Managerial Personnel							
1	Mr. M. S. Gilotra (Managing Director)	1-Apr-2019	At the beginning of the year	40000	0.06	40000	0.06
			Shares Sold in June Quarter			-10000	0.01
			Shares issued on 9th August, 2019 as per ESOP Scheme ("Saurashtra E mployee Stock Option Scheme 2017")			74165	0.11
		31-Mar-2020	At the end of the year			104165	0.15
2	Mr. Rakesh Mehta (Chief Financial Officer)	1-Apr-2019	At the beginning of the year	45690	0.06	45690	0.07
		31-Mar-2020	At the end of the year			45690	0.07
3	Mrs. Sonali Sanas (Sr. Vice President (Legal) & Co. Secretary)	1-Apr-2019	At the beginning of the year	10000	0.01	10000	0.01
			Shares issued on 9th August, 2019 as per ESOP Scheme ("Saurashtra Employee Stock Option Scheme 2017")			10000	0.01
			Shares Sold in December Quarter			-2965	0.00
		31-Mar-2020	At the end of the year			17035	0.02

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,208.37	-	-	3,208.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,208.37	-	-	3,208.37
Change in Indebtedness during the financial year		-	-	
* Addition	610.39	-	-	610.39
* Reduction	(1,049.30)	-	-	(1,049.30)
Net Change	(438.91)	-	-	(438.91)
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	2,769.46	-	-	2,769.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,769.46	-	-	2,769.46

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/WTD/ Manager		Total Amount ₹ in lakhs
		Mr. Jay M. Mehta (Executive Vice Chairman) 1.4.2019 to 31-3-2020 (₹ In lakhs)	Mr. M. S. Gilotra (Managing Director) 1-4-2019 to 31-3-2020 (₹ In lakhs)	
1	Gross salary Salary as per Provisions contained in section 17(1) of the Income –tax Act, 1961	299.50	254.95	554.45
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option*	Nil	18.24	18.24
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	 104.72 Nil	 69.82 Nil	 174.54 Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	404.62	343.41	748.03
	Ceiling as per the Act**			

* This represents perquisite value of ESOP exercised during the year

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

B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of Directors								Total Amount ₹ Lakhs
1	Independent Directors	Mr. M.N. Rao	Mr. K. N. Bhandari	Mr. B. P. Deshmukh	Mr. Jayant Godbole	Mr. Bimal Thakkar	Mrs. Bhagyam Ramani	Mr. Ashwani Kumar	Mr. S.V.S. Raghavan	
	Fee for attending board committee meetings	8.10	8.10	4.45	3.95	7.05	7.20	4.35	2.00	**45.20**
	Commission	0	0	0	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	0	0	0	**0**
	Total (1)	8.10	8.10	4.45	3.95	7.05	7.20	4.35	2.00	**45.20**
2	Other Non-Executive Directors	Mr. M. N. Mehta	Mr. H.D. Mehta	Mr. Hemnabh Khatau						
	Fee for attending board committee meetings	3.25	3.25	3.25						**9.75**
	Commission	0	0	0						**0**
	Others, please specify	0	0	0						**0**
	Total (2)	3.25	3.25	3.25						**9.75**
	Total (B)=(1+2)									**54.95**
	Total Managerial Remuneration									**54.95**
	Overall Ceiling as per the Act**									

** ₹ 1 lakh per Director per meeting attended.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Sonali Sanas Sr. Vice President (Legal) & Company Secretary (For 01/04/2019 to 31/03/2020) (₹ In lakhs)	Mr. Rakesh Mehta Chief Financial Officer (For 01/04/2019 to 31/03/2020) (₹ In lakhs)	Mr. Narendra Singh Director Works (For 01/04/2019 to 31/03/2020) (₹ In lakhs)
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57.77	84.12	98.98
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	1.44
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option*	2.36	Nil	10.23
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	60.53	84.52	110.65

* This represents perquisite value of ESOP exercised during the year

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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure L

Secretarial Compliance Report of
SAURASHTRA CEMENT LIMITED for the year ended March 31, 2020

[Under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined:

(a) all the documents and records made available to us and explanation provided by SAURASHTRA CEMENT LIMITED ("the listed entity")

(b) the filings/ submissions made by the listed entity to the stock exchanges

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 (”SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of lndia (”SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(e) Securities and Exchange Board of lndia (Share Based Employee Benefits) Regulations, 2014;

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

(g) Securities and Exchange Board of India (Issue and Listing of Non—Convertible and Redeemable Preference Shares) Regulations,2013; **(Not Applicable to the Company during the Audit Period)**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
There are no such matters during the year under review			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of actions taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary
Not Applicable during the year under review				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable during the year under review				

For **Ragini Chokshi & Co**

Ragini Chokshi
(Partner)
C.P. No: 1436
Membership No: 2390
UDIN: F002390B000198621

Place : Mumbai
Date : 04/05/2020

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To
The Members of Saurashtra Cement Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Saurashtra Cement Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the general key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recognition of Deferred Tax Assets The Company has recognized Deferred Tax Assets on tax credit (MAT) which involves significant judgment to determine whether there will be reasonable certainty of taxable income against which the tax credit will be utilized. We have considered this matter to be key audit matter considering the significant judgement involved in estimating future taxable income against which such assets can be realized. Refer Note No 18 to the Standalone Financial Statements	Our audit procedures include the following substantive procedures: - Obtained details of completed tax assessments up to year ended March 31, 2020 from management. - We involved our internal experts to review management's underlying assumptions in estimating the tax provision. - Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax provisions. - We evaluated the estimates of profitability made by the management on the basis of which it is considered that the company will have sufficient taxable income against which tax credit will be utilized. - Verified that recognition of such assets is made in accordance with Ind AS 12 "Income Taxes".

<table>
<tr><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>Uncertain tax position under Indirect Tax Laws
The company has material tax litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount.
We have considered these matters to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome.
Refer Note Nos 22 & 32 to the Standalone Financial Statements</td><td>Our audit procedures include the following substantive procedures:
- Obtained the details of uncertain tax position and gained understanding thereof.
- Read and analyzed relevant communication with the authorities and legal consultants.
- We have perused the opinion of legal consultant obtained by the management on possible outcome of the litigation.
- Discussed with senior management and evaluated management's assumptions regarding provisions made.
- Verified that accounting treatment / disclosure in respect of pending litigations is in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".</td></tr>
<tr><td>Impairment of Capital Work in Progress (CWIP)
The company has incurred the expenditure of ₹ 8,107.17 Lakhs on expansion project in earlier years. The expenditure comprised of cost of imported plant & machineries (including related stores and spares), civil work and pre-operative expenses (including interest capitalized). Balance of ₹ 7,892.10 Lakhs on March 31, 2020 is shown under Capital Work in Progress in balance sheet. The project was suspended in the year 2005. However, the company intends to install the assets at a later date, depending upon the market condition.
Considering this, the valuation of assets has been done by obtaining report of project consultant. Based on the valuation report aggregate provision of ₹ 4,597.78 up to March 31, 2020 has been made for impairment of the said assets, which includes ₹ 56.64 Lakhs provision for the current year.
We have considered this matter to be key audit matter considering the significant judgement involved in valuation of assets for the purpose of determining Impairment.
Refer Note No 2 to the Standalone Financial Statements</td><td>Our audit procedures include the following substantive procedures:
- Obtained the details of assets and expenditure incurred in respect of expansion project.
- Carried out physical verification of the assets and assessed their condition.
- Discussed with senior management about their plan for utilization of the assets at a later date.
- Assessed the valuation expert's competency and objectivity.
- Perused the valuation report of the valuation expert and reviewed methods and underlying assumptions on the basis of which valuation has been made.
- Verified the working of the amount of provision made for impairment of the assets.
- Verified that accounting treatment / disclosure in respect of impairment of assets is in accordance with Ind AS 36 "Impairment of Assets".</td></tr>
<tr><td>Estimation of Incentives to customers
The Company sells its products through various channels such as dealers and commission agents; (customers) and recognise liabilities related to incentives payable to them under various marketing schemes.
As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the incentives as per the scheme.
With regard to the determination of revenue, the management is required to make significant estimates in respect of the followings:
- The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company;
- Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the company.
The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.
Refer Note No 22 to the Standalone Financial Statements</td><td>Our audit procedures include the following substantive procedures:
- Obtained an understanding from the management with regard to controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls.
- Tested the inputs used in the estimation of revenue in context of incentives.
- Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes.
- Analysed past trends by comparing actuals with the estimates of earlier periods.
- Verified that accounting treatment is in accordance with Ind AS 115 "Revenue from Contracts with Customers".
Based on the above procedures, we did not identify any significant deviation to assessment made by management in respect of estimation of liabilities for incentives.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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, total comprehencive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgements 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows 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 Indian Accounting Standards prescribed 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that,in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of the Act.
   h) 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, as amended, 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 32 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.
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraphs 3 and 4 of the order.

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABG9098

Place : Ahmedabad
Date : May 18, 2020

ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Saurashtra Cement Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone Financial statements of Saurashtra Cement Limited (The Company) as of and for the year ended March 31, 2020, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABG9098

Place : Ahmedabad
Date : May 18, 2020

ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Saurashtra Cement Limited of even date)

Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Saurashtra Cement Limited ('the Company')

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

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, portion of the fixed assets were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed immovable properties (buildings) are held in the name of Company. The self-constructed Building having Gross book value of ₹ 2,411.45 Lakhs (Net Block ₹ 120.57 Lakhs) is on the land of Gujarat Maritime Board which has given license. The present agreement is for 10 years effective from November 01, 2015 and valid upto October 31, 2025.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) (a) According to information and explanations given to us, the Company has granted unsecured loan to its subsidiary, which is a company covered in the register maintained under Section 189 of the Act. The Company has not granted any other loans, secured or unsecured, to firms, Limited Liabilities Partnerships or other parties covered under Section 189 of the Act.

(b) In respect of aforesaid loan, the rate of interest and terms of repayment have been stipulated. Considering the amount involved and the fact that is given to a subsidiary and for the purpose of which it is given, in our opinion, the same is not, prima facie, prejudicial to the interest of the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans and investments made. The company has not given any guarantee or provided any security in connection with the loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of cement produced by the Company where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and based on records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, income tax deducted at source, Goods and Service Tax and other material statutory dues, as applicable.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at March 31, 2020 for a period of more than six months from the date they became 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 the records of the Company examined by us, the details of disputed statutory dues of Income Tax, Service Tax, Sales Tax, Value Added Tax, Excise Duty and other material statutory dues which have not been deposited as at March 31, 2020 on account of dispute are as under:

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs)*	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	174.05	2006-07 & 2007-08	High Court of Gujarat
		1,142.89	2007-08 to 2016-17	CESTAT
		405.57	2009-10 to 2013-14	CESTAT
The Finance Act, 1994	Service Tax	4.31	2006-07 to 2011-12	Jt.Commissioner, Excise, Bhavnagar
Customs Act 1962	Custom Duty	1,218.58	2011-12 & 2012-13	CESTAT
Gujarat Sales Tax Act, 1969	Sales Tax	2.09	2005-06	Jt.Commissioner, Commercial Tax, Rajkot
Maharashtra Value Added Tax Act, 2002	Value Added Tax	1.32	2015-16	Jt.Commissioner (A), Mumbai (#)

* Amount Includes the amount of Interest to the extent provided by the Company in the books of account.

\# Order is passed by the assessing officer however appeal is yet to be filed before appellate authority.

(viii) To the best of our knowledge and according to information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not taken any loans either from financial institution or Government or has not issued any debentures.

(ix) The Company has raised money by way of Term Loan from Banks and the proceeds were applied for the purposes for which those are raised. The Company has not raised moneys by way of initial public offer or further public offer (Including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting requirement under paragraph 3 (xiv) of the order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected to directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABG9098

Place : Ahmedabad
Date : May 18, 2020

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	34,790.80	34,847.20
(b) Capital Work-in-Progress	2	3,793.78	3,701.99
(c) Right of Use Assets	2	285.70	-
(d) Other Intangible Assets	2	13.78	12.83
(e) Financial Assets			
(i) Investments	3	353.45	531.79
(ii) Loans	4	258.45	281.93
(iii) Other Financial Assets	5	51.66	105.00
(f) Deferred Tax Assets (Net)	18	-	188.43
(g) Other Non-Current Assets	6	2,423.02	2,010.83
SUB-TOTAL		41,970.64	41,680.00
CURRENT ASSETS			
(a) Inventories	7	9,965.73	7,841.51
(b) Financial Assets			
(i) Trade Receivables	8	3,435.17	1,580.27
(ii) Cash and Cash Equivalents	9	826.87	743.37
(iii) Bank Balances other than (ii) above	10	9,408.82	7,303.88
(iv) Loans	11	7.75	11.74
(v) Other Financial Assets	12	215.19	199.27
(c) Other Current Assets	13	661.23	439.42
SUB-TOTAL		24,520.76	18,119.46
TOTAL ASSETS		66,491.40	59,799.46
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	6,952.15	6,934.04
(b) Other Equity	15	38,259.76	34,004.09
SUB-TOTAL		45,211.91	40,938.13
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	620.29	401.75
(ii) Lease Liabilities	34	162.45	-
(b) Provisions	17	1,286.62	1,240.06
(c) Deferred Tax Liabilities (Net)	18	503.81	-
SUB-TOTAL		2,573.17	1,641.81
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	1,833.47	2,597.02
(ii) Trade Payables	20		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		59.46	93.68
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		5,399.46	6,249.13
(iii) Lease Liabilities	34	131.05	-
(iv) Other Financial Liabilities	21	4,019.45	1,971.83
(b) Other current liabilities	22	6,954.87	6,019.47
(c) Provisions	23	308.56	288.39
SUB-TOTAL		18,706.32	17,219.52
TOTAL EQUITY AND LIABILITIES		66,491.40	59,799.46
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 45		

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
Revenue from Operations	24	60,818.36	62,170.03
Other Income	25	840.94	833.06
Total Income		61,659.30	63,003.09
Expenses			
(a) Cost of Materials Consumed	26	6,107.28	9,342.43
(b) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	27	(1,138.83)	(292.68)
(c) Employee Benefits Expense	28	4,524.83	4,939.83
(d) Finance Costs	29	447.51	474.33
(e) Depreciation and Amortisation Expenses	2	1,968.23	1,833.54
(f) Other Expenses	30	40,405.97	47,698.23
Total Expenses		52,314.99	63,995.68
Profit / (Loss) before Exceptional Items and tax		9,344.31	(992.59)
Exceptional Items	31	(1,600.00)	319.72
Profit / (Loss) before tax		7,744.31	(672.87)
Tax Expense	39		
(a) Current tax		1,357.81	-
(b) Relating to previous years		4.92	20.45
(c) Deferred tax		720.60	(206.07)
Total Tax Expense		2,083.33	(185.62)
Profit / (Loss) for the year		5,660.98	(487.25)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(81.18)	(53.22)
(b) Effect of measuring Equity Instruments on Fair Value		(178.33)	(82.31)
(c) Income tax on (a) & (b)		28.37	18.60
Total Other Comprehensive Income for the year (net of tax)		(231.14)	(116.93)
Total Comprehensive Income for the year		5,429.84	(604.18)
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	44	8.15	(0.70)
(b) Diluted (₹ per share)	44	8.11	(0.70)
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 45		

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors

Jay M. Mehta	Executive Vice-Chairman
M. N. Rao	Director
M. S. Gilotra	Managing Director
Rakesh Mehta	Chief Financial Officer
Sonali Sanas	Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

(₹ In lakhs)

Balance as at April 01, 2018	Changes in Equity Share Capital during the year 2018-19	Balance as at March 31, 2019	Changes in Equity Share Capital during the year 2019-20	Balance as at March 31, 2020
6,919.11	14.62	6,933.73	**18.11**	**6,951.84**

B. OTHER EQUITY

(₹ In lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus						Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Options Out-standing	General Reserve	Retained Earnings		
Balance at the beginning of the Reporting Period i.e. **As at April 01, 2018**	-	2,712.70	737.60	10,566.71	106.71	5,786.29	17,923.31	(3,088.81)	34,744.51
Loss for the year	-	-	-	-	-	-	(487.25)	-	(487.25)
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	(82.31)	(82.31)
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(34.62)	-	(34.62)
Total Comprehensive Income for the year	-	-	-	-	-	-	(521.87)	(82.31)	(604.18)
Dividend on Equity Shares	-	-	-	-	-	-	(691.91)	-	(691.91)
Dividend Distribution Tax	-	-	-	-	-	-	(142.22)	-	(142.22)
Share Application Money received on exercise of Employee Stock Options, pending allotment	1.61	-	-	-	-	-	-	-	1.61
Share based payments to employees	-	-	-	-	703.91	-	-	-	703.91
Employee Stock Options exercised during the year	-	-	-	110.49	(110.49)	-	-	-	-
Employee Stock Options lapsed during the year	-	-	-	-	(7.63)	-	-	-	(7.63)
Balance at the end of the Reporting Period i.e. **As at March 31, 2019**	1.61	2,712.70	737.60	10,677.20	692.50	5,786.29	16,567.31	(3,171.12)	34,004.09
Balance at the beginning of the Reporting Period i.e. **As at April 01, 2019**	**1.61**	**2,712.70**	**737.60**	**10,677.20**	**692.50**	**5,786.29**	**16,567.31**	**(3,171.12)**	**34,004.09**
Profit for the year	-	-	-	-	-	-	**5,660.98**	-	**5,660.98**
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	**(178.33)**	**(178.33)**
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	**(52.81)**	-	**(52.81)**
Total Comprehensive Income for the year	-	-	-	-	-	-	**5,608.17**	**(178.33)**	**5,429.84**
Issue of Equity Shares	**(1.61)**	-	-	-	-	-	-	-	**(1.61)**
Dividend on Equity Shares (Refer Note 14.5)	-	-	-	-	-	-	**(1,216.29)**	-	**(1,216.29)**
Dividend Distribution Tax	-	-	-	-	-	-	**(250.01)**	-	**(250.01)**
Share Application Money received on exercise of Employee Stock Options, pending allotment	**4.95**	-	-	-	-	-	-	-	**4.95**
Share based payments to employees	-	-	-	-	**297.30**	-	-	-	**297.30**
Employee Stock Options exercised during the year	-	-	-	**136.85**	**(136.85)**	-	-	-	-
Employee Stock Options lapsed during the year	-	-	-	-	**(8.51)**	-	-	-	**(8.51)**
Balance at the end of the Reporting Period i.e. **As at March 31, 2020**	**4.95**	**2,712.70**	**737.60**	**10,814.05**	**844.44**	**5,786.29**	**20,709.18**	**(3,349.45)**	**38,259.76**

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors

Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		**7,744.31**	(672.87)
Adjustments for :			
Add:	Finance Costs	**447.51**	470.38
	Loss on Sale / Discard of Property, Plant and Equipment	**48.07**	11.47
	Exceptional items	**1,600.00**	-
	Fair Value changes	**3.16**	2.57
	Increase in Provision for Leave and Gratuity Expenses	**-**	46.67
	Share-based Payments to Employees	**288.79**	696.28
	Depreciation and Amortisation Expense	**1,968.23**	1,833.54
		4,355.76	3,060.91
Less:	Interest Income	**(524.41)**	(523.70)
	Dividend Income	**(22.29)**	(0.04)
	Decrease in Provision for Leave and Gratuity Expenses	**(14.45)**	-
	Exceptional items	**-**	(319.72)
	Excess Provision and Trade / Other Payables Written Back	**(76.59)**	(149.00)
	Gain on Termination of Lease	**(0.07)**	-
	Initial direct costs for Right of use Asset	**(0.47)**	-
	Provision for Doubtful Debts Written Back	**-**	(1.45)
		(638.28)	(993.91)
Operating Profit before Working Capital changes		**11,461.79**	1,394.13
Adjustments for increase / decrease in:			
	Trade Payables, Financial Liabilities and Other Current Liabilities	**366.95**	1,674.10
	Long-term Loans and Other Non-Current Assets	**7.90**	16.80
	Inventories	**(2,124.22)**	(2,212.74)
	Trade Receivables	**(1,854.90)**	315.67
	Short-term Loans, Financial Assets and Other Current Assets	**(226.28)**	569.75
		(3,830.55)	363.58
Cash Generated from Operations		**7,631.24**	1,757.71
Add: Direct Taxes (Payments) / Refunds		**(1,396.43)**	(328.61)
Net Cash Generated from Operating Activities		**6,234.81**	1,429.10
CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Property, Plant and Equipment	**(2,366.43)**	(3,148.56)
	Proceeds from Sale of Property, Plant and Equipment	**50.32**	30.78
	Proceeds from Sale of Non-Current Asset held for disposal	**-**	397.01
	(Increase) / Decrease in Bank Deposits	**(2,056.36)**	305.10
	Interest income on Bank Deposits	**512.19**	539.08
	Loan (given to) / Payment received from Subsidiary	**10.00**	(147.00)
	Repayment received against Inter Corporate Loans given	**-**	494.91
	Dividend Income	**22.29**	0.04
Net Cash used in Investing Activities		**(3,827.99)**	(1,528.64)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of Employee Stock options	**21.45**	16.23
Proceeds from Long-term Borrowings	**610.39**	359.22
Repayment of Long-term Borrowings	**(285.75)**	(156.83)
Proceeds from / (Repayment of) Short-term Borrowings (Net)	**(763.55)**	1,290.64
Payment of Lease Liabilities	**(120.97)**	-
Finance Costs Paid	**(318.59)**	(387.27)
Dividend Paid	**(1,216.29)**	(691.91)
Dividend Distribution Tax Paid	**(250.01)**	(142.22)
Net Cash Generated from / (used in) Financing Activities	**(2,323.32)**	287.86
Net increase in Cash and Cash Equivalents	**83.50**	188.32
Cash and Cash Equivalents at the beginning of the year	**743.37**	555.05
Cash and Cash Equivalents at the end of the year (Refer Note 9)	**826.87**	743.37

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on “Statement of Cash Flows” specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2 **Disclosure pursuant to Ind AS 7 on “Statement of Cash Flows”**

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

₹ in lakhs

Particulars	**Opening Balance**	**Cash Flows**	**Non Cash Changes**	**Closing Balance**
Short Term Borrowings	**2,597.02**	**(763.55)**	**-**	**1,833.47**
Long Term Borrowings (including Current maturities)	**611.35**	**324.64**	**-**	**935.99**
Bank Balances other than Cash and Cash Equivalents	**7,408.88**	**(2,056.36)**	**-**	**9,460.48**

Note: Figures in bracket indicates cash outflows.

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

A Company Overview:

Saurashtra Cement Limited (the Company) is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Company is engaged in the business of manufacturing and selling of Cement. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for publication on May 18, 2020.

B Significant Accounting Policies

1.1 Statement of Compliance:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1.2 Basis of Preparation and Presentation:

a) Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (Refer Note 1.18 being accounting policy regarding financial instruments)
- Assets held for sale - measured at the lower of its carrying amount and fair value less estimated costs to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation

b) Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise indicated.

c) Classification of Assets and Liabilities into Current/Non-current:

i. The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-current classification.

ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-current classification of its Assets and Liabilities.

iii. An asset is classified as Current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

NOTES FORMING PART OF FINANCIAL STATEMENTS

iv. A liability is classified as Current when:
- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

v. Deferred Tax Assets and Liabilities are classified as Non-current assets and liabilities.

1.3 Property, Plant and Equipment (PPE):

i. The Company has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and/or any accumulated impairment loss. An item of PPE is recognised as an asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof and are material, else, such spare parts, etc. are classified as inventory.

iii. The cost comprises of - purchase price (net of recoverable GST / CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as “Capital Work-in-progress”. 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. The same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.

1.4 Depreciation / Amortisation:

i. Depreciation on PPE is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation (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 or as per technical assessment. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the change is recognised in the Statement of Profit and Loss with appropriate disclosure thereof.

ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Company has determined the useful life of that significant part separately (“Component Accounting”). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Company has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.

iii. Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and from the date, the asset is derecognised.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.5 Non-current Assets held for sale:

Items of PPE, which are retired from active use and held for disposal and where the sale is highly probable, are classified under Other Current Assets. The same are carried at the lower of their carrying amounts and fair value less estimated costs to sell. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

1.6 Intangible Assets:

Intangible Assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets being computer software are amortised on the “Straight-line Method” over a period of three years.

1.7 Leases:

The Company’s leased assets consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Refer Note 34 for impact of transition and disclosures pursuant to Ind AS 116.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.8 Impairment of Non-financial Assets:

i. The Company, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.

ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

i. **Raw materials, Fuels, Stores and spare parts and Packing materials** - At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.

ii. **Work-in-progress (WIP), Finished goods and Stock-in-trade** - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Revenue and Income Recognition:

A Revenue from Contracts with Customers

i. Revenue from contracts with customers for sale of goods is recognised when the Company satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods. Performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the goods on its receipt.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns, incentives and applicable Goods and Services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales rebates, discounts and incentives. The rebates, discounts, incentives and right of return are estimated and provided for, based on past experience.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to avail various products. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry.

ii. In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

B Other Operating Revenue - Export entitlement

Export entitlements are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.

C Income Recognition

i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.

ii. Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

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 at the spot rates of exchange of functional currency at the reporting date.

iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 expense in the Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

iii. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.13 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 render 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 Actuary. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

Remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), is reflected immediately in the Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to Statement of Profit and Loss in subsequent periods.Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date when the Company recognises related restructuring costs

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 render 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 Actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

1.14 Borrowing Costs:

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalised, net of income earned on temporary investments from such borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss as expense in the year in which the same are incurred.

1.15 Segment Reporting:

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 location of its customers.

ii. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements.

1.16 Taxation:

i. **Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period in accordance with the provisions of the Income-tax Act, 1961.

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax relating to items recognised in equity or OCI is recognised directly in equity or OCI and not in the Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

The deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that suffcient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets on a year on year basis, the deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets and liabilities and where it intends to settle such assets and liabilities on a net basis.

1.17 Provisions, Contingent Liabilities and Contingent Assets:

i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ii. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

iii. Contingent assets are neither recognised nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

1.18 Financial Instruments:

i. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. Financial assets:

Initial recognition and measurement:

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial Assets at amortised cost
- Equity investments measured at fair value through Other Comprehensive Income (FVTOCI)

iii. Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and loss. The losses arising from impairment are recognised in the Statement of Profit and loss.

iv. Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

v. Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

vi. Investment in Subsidiary:

The Company's investment in its Subsidiary is carried at cost less provision for impairment.

vii. Impairment of financial assets:

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For Trade Receivables, in view of the Company's credit policy and past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based on specific identification. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

viii. Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other current liabilities.

ix. Subsequent measurement:

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses on changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

x. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

xi. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Fair Value Measurement:

i. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

iv. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
- Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.

v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1.20 Cash and Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with banks with an original maturity of 3 months or less, which are subject to an insignifcant risk of changes in value.

1.21 Earnings Per Share:

i. Basic Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii. Diluted EPS is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders adjusted for the effects of potential dilution of equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

C Critical accounting judgements, estimates and assumptions:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and Assumptions:

i. **Useful Lives of Property, Plant and Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii. **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iv. **Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. **Provisions:**

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

vi. **Share-based payments:**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc.

₹ in lakhs

	Gross Block				Depreciation, Amortisation and Impairment				Net Block	
	As at April 01, 2019	**Additions/ Adjust-ments**	**Deductions/ Adjust-ments**	**As at March 31, 2020**	As at April 01, 2019	**For the Year**	**Deductions/ Adjust-ments**	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019
Property, Plant and Equipment										
Freehold land	11,236.77	**-**	**-**	**11,236.77**	**-**	**-**	**-**	**-**	**11,236.77**	11,236.77
Leasehold land [Refer Note (i)]	0.09	**-**	**-**	**0.09**	**-**	**-**	**-**	**-**	**0.09**	0.09
Buildings and Jetty [Refer Note (ii)]	8,096.16	**113.10**	**173.52**	**8,035.74**	3,852.96	**150.58**	**161.83**	**3,841.71**	**4,194.03**	4,243.20
Plant and equipments [Refer Note (iii)]	45,822.24	**1,153.82**	**551.27**	**46,424.79**	28,846.98	**1,174.21**	**471.06**	**29,550.13**	**16,874.66**	16,975.26
Furniture and Fixtures	1,855.86	**196.19**	**6.34**	**2,045.71**	960.79	**123.89**	**4.65**	**1,080.03**	**965.68**	895.07
Vehicles	2,064.91	**305.98**	**93.86**	**2,277.03**	1,120.69	**180.61**	**55.78**	**1,245.52**	**1,031.51**	944.22
Office equipments	1,039.82	**97.39**	**6.66**	**1,130.55**	609.56	**151.99**	**5.48**	**756.07**	**374.48**	430.26
Railway siding, weighbridge, rolling stock and locomotives	256.80	**-**	**-**	**256.80**	134.47	**8.75**	**-**	**143.22**	**113.58**	122.33
Total	70,372.65	**1,866.48**	**831.65**	**71,407.48**	35,525.45	**1,790.03**	**698.80**	**36,616.68**	**34,790.80**	34,847.20
Capital Work-in-Progress [Refer Note (iv)]	8,243.13	**817.55**	**669.12**	**8,391.56**	4,541.14	**56.64**	**-**	**4,597.78**	**3,793.78**	3,701.99
Right of Use Assets [Refer Note 34]	50.05	**352.05**	**4.63**	**397.47**	**-**	**112.48**	**0.71**	**111.77**	**285.70**	-
Other Intangible Assets Other than internally generated										
Computer softwares	240.78	**10.03**	**-**	**250.81**	227.95	**9.08**	**-**	**237.03**	**13.78**	12.83
Grand Total	78,906.61	**3,046.11**	**1,505.40**	**80,447.32**	40,294.54	**1,968.23**	**699.51**	**41,563.26**	**38,884.06**	38,562.02

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc. (contd.)

₹ in lakhs

	Gross Block				Depreciation, Amortisation and Impairment				Net Block
	As at April 01, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Property, Plant and Equipment									
Freehold land	11,236.77	-	-	11,236.77	-	-	-	-	11,236.77
Leasehold land [Refer Note (i)]	0.09	-	-	0.09	-	-	-	-	0.09
Buildings and Jetty [Refer Note (ii)]	7,865.61	230.55	-	8,096.16	3,708.14	144.82	-	3,852.96	4,243.20
Plant and equipments [Refer Note (iii)]	43,222.01	2,606.75	6.52	45,822.24	27,599.59	1,251.44	4.05	28,846.98	16,975.26
Furniture and Fixtures	1,642.16	219.15	5.45	1,855.86	850.88	115.12	5.21	960.79	895.07
Vehicles	2,042.05	90.48	67.62	2,064.91	977.72	176.60	33.63	1,120.69	944.22
Office equipments	948.66	182.62	91.46	1,039.82	565.26	131.21	86.91	609.56	430.26
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	125.02	9.45	-	134.47	122.33
Total	67,214.15	3,329.55	171.05	70,372.65	33,826.61	1,828.64	129.80	35,525.45	34,847.20
Capital Work-in-Progress [Refer Note (iv)]	8,871.14	1,435.18	2,063.19	8,243.13	4,541.14	-	-	4,541.14	3,701.99
Other Intangible Assets Other than internally generated									
Computer softwares	265.11	11.50	35.83	240.78	257.88	4.90	34.83	227.95	12.83
Grand Total	76,350.40	4,776.23	2,270.07	78,856.56	38,625.63	1,833.54	164.63	40,294.54	38,562.02

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc. (contd.)

i. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.

ii. Buildings and Jetty include a Private Jetty having a gross block of ₹ 2411.45 lakhs (net block ₹ 120.57 lakhs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The present agreement is for 10 years effective from November 01, 2015 and valid upto October 31, 2025.

iii. Plant and equipments include cost of service line of ₹ 33.20 lakhs (Previous Year: ₹ 33.20 lakhs), ownership of which is vested with Paschim Gujarat Vij Company Limited.

iv. **Impairment of Assets:**

a The Company had incurred an aggregate sum of ₹ 8107.17 lakhs (Previous Year: ₹ 8107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. During the previous year, spares of the value of ₹ 215.07 lakhs were consumed resulting to closing balance of CWIP at ₹ 7892.10 lakhs.

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
b Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	**320.40**	320.40
Employee Cost	**144.56**	144.56
Interest and Finance Cost	**3,104.18**	3,104.18
Traveling and Conveyance	**227.48**	227.48
Exchange Rate Fluctuation	**42.43**	42.43
Transportation Charges	**19.96**	19.96
Miscellaneous	**59.97**	59.97
	3,918.98	3,918.98

c In the year 2005, due to several adversities, the project was suspended. However, the Company intends to install the assets at a later date, depending on market conditions. Therefore, considering utilisation of assets in future, the Expansion Project Assets have been valued by a project consultant. Based on the valuation report obtained from the project consultant, the aggregate provision for impairment as at March 31, 2020 is ₹ 4597.78 lakhs (Previous Year: ₹ 4541.14 lakhs) which includes an amount of ₹ 56.64 lakhs as additional provision for impairment for the year ended March 31, 2020.

v. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment pledged as security.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Face Value ₹ per share	Investee company	No. of Shares Current Year	No. of Shares Previous Year	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
3	**Non-current Investments**				
a)	**Investments measured at Cost:**				
	In Equity Instruments of Subsidiaries				
	Unquoted (Fully paid equity shares)				
10	Agrima Consultants International Limited	**4,04,100**	4,04,100	**180.36**	180.36
				180.36	180.36
	Less: Provision for impairment in value			**180.36**	180.36
				-	-
b)	**Investments measured at Fair Value through Other Comprehensive Income:**				
	In Equity Instruments of Others				
i)	Quoted (Fully paid equity shares)				
10	MTZ (India) Limited	**8,70,500**	8,70,500	**0.02**	0.02
10	MTZ Polyfilms Limited	**30,00,000**	30,00,000	**0.10**	0.10
2	Bank of Baroda	**22**	-	**0.01**	-
10	Dena Bank	**-**	200	**-**	0.03
10	Gujarat Sidhee Cement Limited	**22,85,912**	22,85,912	**352.03**	530.33
10	ACC Limited	**1**	1	**0.01**	0.02
2	Ambuja Cements Limited *	**1**	1	**-**	-
10	India Cement Limited *	**1**	1	**-**	-
5	JK Lakshmi Cements Limited *	**1**	1	**-**	-
10	Mangalam Cement Limited *	**1**	1	**-**	-
10	Prism Johnson Limited (Formerly Prism Cement Limited) *	**1**	1	**-**	-
10	Shree Digvijay Cement Co. Limited *	**1**	1	**-**	-
10	Ultratech Cement Limited	**1**	1	**0.03**	0.04
10	Zuari Agro Chemicals Limited *	**1**	1	**-**	-
10	Zuari Global Limited *	**1**	1	**-**	-
				352.20	530.54
ii)	Unquoted (Fully paid equity shares)				
0.1	Chennai Super Kings Cricket Limited *	**1**	-	**-**	-
50	Rajkot Nagrik Sahakari Bank Limited	**2,001**	2,001	**1.00**	1.00
10	Saraswat Co-op Bank Limited	**2,500**	2,500	**0.25**	0.25
				1.25	1.25
	* Each investment is less than ₹ 0.01 lakhs			**353.45**	531.79
				353.45	531.79
	Aggregate Carrying Value of:				
	Quoted investments			**352.20**	530.54
	Unquoted investments			**1.25**	1.25
				353.45	531.79
	Aggregate Market Value of quoted investments			**352.20**	530.54

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
4 Loans		
Considered Good - Unsecured		
Security Deposits	**113.08**	126.44
Loans to related party [Refer Note 4.1, 4.2 and 37.2(B)(i)(a)]	**137.00**	147.00
Staff Loans	**8.37**	8.49
	258.45	281.93
Loan Receivables - credit impaired		
Security Deposit for supply of Power	**224.27**	224.27
	482.72	506.20
Less : Provision for impairment	**224.27**	224.27
	258.45	281.93

4.1 Disclosure as per Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
a. Loans and Advances in the nature of loans to subsidiary company:		
Name of the Subsidiary Company		
Agrima Consultants International Limited	**137.00**	147.00
b. Maximum amount outstanding during the year	**147.00**	180.00
c. The loanee has not made any investment in the shares of the Company		

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
4.2 Information on advances in the nature of loans given pursuant to Section 186(4) of the Companies Act, 2013			
a. Particulars of Loans given by Company			
Name of the Subsidiary Company	**Rate of interest**		
Agrima Consultants International Ltd.	**9% p.a.**	**13.05**	8.25
- The loans have been given for business activities of the subsidiary company.			
b. Particulars of Investments - Refer Note 3 on Non-current Investments.			
c. There is no guarantee given or security provided by the Company.			

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
5 Other Financial Assets		
Fixed Deposits with Bank with maturity greater than 12 months (Held as Margin Money against Guarantees)	**51.66**	105.00
	51.66	105.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
6	**Other Non-current Assets**		
	Capital Advances	**1,435.28**	1,059.33
	Advances other than Capital Advances		
	Taxes Paid (Net of Provision of ₹ 1,357.81 lakhs, Previous Year: ₹ Nil)	**826.84**	793.14
	Pre-deposit Balances with Statutory / Government Authorities against Appeals	**140.02**	134.33
	Prepaid Expenses	**20.88**	24.03
		2,423.02	2,010.83

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
7	**Inventories**		
	Raw Materials (includes in transit of ₹ Nil, Previous Year: ₹ 0.79 lakhs)	**584.60**	728.85
	Packing Materials	**149.54**	104.54
	Work-in-progress	**1,789.27**	484.53
	Finished Goods	**853.85**	1,019.76
	Fuels (includes in transit of ₹ 3,426.86 lakhs, Previous Year: ₹ 3,367.44 lakhs)	**4,639.30**	4,023.41
	Stores and Spare Parts (includes in transit of ₹ 2.11 lakhs, Previous Year: ₹ 5.26 lakhs)	**1,949.17**	1,480.42
		9,965.73	7,841.51

The cost of inventories recognised as an expense during the year is disclosed in Notes 26 and 27.
The cost of inventories recognised as an expense includes ₹ Nil (Previous year: ₹ 26.32 lakhs) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous year.
For mode of valuation of inventories : Refer Note 1.9

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
8	**Trade Receivables**		
	Considered Good - Unsecured		
	Amounts Receivable from a related party [Refer Note 37.2(B)(iii)]	**133.24**	-
	Others	**3,301.93**	1,580.27
	Trade Receivables - credit impaired	**13.74**	14.13
		3,448.91	1,594.40
	Less : Provision for impairment	**13.74**	14.13
		3,435.17	1,580.27

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
9	**Cash and Cash Equivalents**		
	Balances with Banks		
	In Current Accounts	**22.57**	743.37
	In Fixed Deposits (Original maturity of 3 months or less) [Refer Note 31.1]	**804.30**	-
		826.87	743.37

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
10	**Bank Balances other than Cash and Cash Equivalents**		
	Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
	Held as Margin Money against Guarantees and Letter of Credit	**781.31**	900.54
	Held as Security against Overdraft facilities	**3,839.60**	5,257.04
	Others	**4,770.73**	1,125.00
		9,391.64	7,282.58
	Earmarked Balances		
	For Unpaid Dividend (Equity and Preference)	**16.83**	20.96
	For Redemption of Preference Shares	**0.35**	0.34
		17.18	21.30
		9,408.82	7,303.88

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
11	**Loans**		
	Considered Good - Unsecured		
	Staff Loans	**7.75**	11.74
		7.75	11.74

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
12	**Other Financial Assets**		
	Interest accrued on Fixed Deposits	**183.15**	187.14
	Interest accrued on Loan to related party [Refer Note 37.2(B)(i)(b)]	**21.30**	8.25
	Others	**10.74**	3.88
		215.19	199.27

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
13	**Other Current Assets**		
	Considered Good - Unsecured		
	Advances		
	Balances with Statutory / Government Authorities	**231.50**	150.16
	Advances Against Purchase of Stores and Spares	**120.08**	93.98
	Prepaid Expenses	**40.11**	37.60
	Travelling Advance Due from a Director [Refer Note 37.2(B)(ii)(c)]	**-**	6.23
	Others	**234.95**	116.86
	Non-current Asset held for Disposal	**34.59**	34.59
		661.23	439.42
	Considered Doubtful		
	Advances Against Purchase of Stores and Spares	**24.46**	24.46
		685.69	463.88
	Less : Provision for Doubtful advances	**24.46**	24.46
		661.23	439.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 Numbers	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 Numbers	As at March 31, 2019 ₹ in lakhs
14	**Equity Share Capital**				
	Authorised				
	Equity Shares of ₹ 10 par value	**22,90,00,000**	**22,900.00**	19,50,00,000	19,500.00
			22,900.00		19,500.00
	Issued				
	Equity Shares of ₹ 10 par value	**6,95,33,718**	**6,953.37**	6,93,52,583	6,935.26
			6,953.37		6,935.26
	Subscribed				
	Equity Shares of ₹ 10 par value Subscribed and Fully Paid Up	**6,95,18,449**	**6,951.84**	6,93,37,314	6,933.73
	Equity Shares - forfeited (₹ 2 per share paid up)	**15,269**	**0.31**	15,269	0.31
			6,952.15		6,934.04

14.1 Reconciliation of the number of shares outstanding and amount of share capital

Equity Shares of ₹ 10 par value	As at March 31, 2020 Numbers	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 Numbers	As at March 31, 2019 ₹ in lakhs
At the beginning	**6,93,37,314**	**6,933.73**	6,91,91,065	6,919.11
Shares issued during the year on exercise of employee stock options	**1,81,135**	**18.11**	1,46,249	14.62
At the end	**6,95,18,449**	**6,951.84**	6,93,37,314	6,933.73

14.2 Rights, Preferences and Restrictions

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. The Company declares and pays dividend in Indian rupees. The final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.

iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iv. In respect of share based payments granted to employees (Employee Stock Options), refer Note 40.

14.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares	As at March 31, 2020 Numbers	As at March 31, 2020 %	As at March 31, 2019 Numbers	As at March 31, 2019 %
Villa Trading Company Private Limited	**1,36,58,167**	**19.65%**	1,36,58,167	19.70%
Parsec Enterprises Private Limited	**1,35,38,370**	**19.47%**	1,35,38,370	19.53%
Samja Mauritius Limited	**1,71,75,000**	**24.71%**	1,71,75,000	24.77%

14.4 Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year

Particulars	As at March 31, 2020 Numbers	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 Numbers	As at March 31, 2019 ₹ in lakhs
Equity Shares reserved for issue under Employee Stock Options	**12,07,854**	**120.79**	14,49,527	144.95

14.5 The Board of Directors at its meeting held on November 14, 2019 declared first interim dividend of ₹ 0.75 per equity share of the face value of ₹ 10 each for the year ended March 31, 2020. Further, the Board of Directors at its meeting held on February 14, 2020 declared second interim dividend of ₹ 1 per equity share of the face value of ₹ 10 each for the year ended March 31, 2020.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
15	**Other Equity**		
	i. Share Application Money pending allotment	**4.95**	1.61
	ii. Reserves and Surplus		
	a. Capital Reserve	**2,712.70**	2,712.70
	b. Capital Redemption Reserve	**737.60**	737.60
	c. Securities Premium Account		
	Balance as at the beginning of the year	**10,677.20**	10,566.71
	Add: Exercise of Employee Stock Options	**136.85**	110.49
		10,814.05	10,677.20
	d. Share Options Outstanding		
	Balance as at the beginning of the year	**692.50**	106.71
	Add: Share based payments to employees	**297.30**	703.91
	Less: Employee Stock Options Exercised	**(136.85)**	(110.49)
	Less: Employee Stock Options Lapsed	**(8.51)**	(7.63)
		844.44	692.50
	e. General Reserve	**5,786.29**	5,786.29
	f. Retained Earnings		
	Balance as at the beginning of the year	**16,567.31**	17,923.31
	Add/(Less): Profit / (Loss) transferred from the Statement of Profit and Loss	**5,660.98**	(487.25)
	Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	**(52.81)**	(34.62)
	Less: Appropriations		
	Dividend on Equity Shares (Refer Note 14.5)	**1,216.29**	691.91
	Dividend Distribution Tax	**250.01**	142.22
		20,709.18	16,567.31
	iii. Equity Instruments through Other Comprehensive Income		
	Balance as at the beginning of the year	**(3,171.12)**	(3,088.81)
	Add/(Less): Effect of measuring Equity Instruments on Fair Value	**(178.33)**	(82.31)
		(3,349.45)	(3,171.12)
		38,259.76	34,004.09

The description of the nature and purpose of each reserve within equity is as follows :

a. **Share application money pending allotment**

It represents share application money received from employees on exercise of stock options for which allotment of 49,535 equity shares (Previous Year: 16,097 equity shares) is pending as at the year end.

b. **Capital Reserve**

It represents reserve created on capital receipt.

c. **Capital Redemption Reserve**

This reserve was created on redemption of Preference Shares by transfer from General Reserve.

d. **Securities Premium**

It represents the amount of premium over face value on shares issued.

NOTES FORMING PART OF FINANCIAL STATEMENTS

e. **Share Options Outstanding**

The Company has Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017) under which options to subscribe for the Company's shares have been granted to the senior management and executives from middle management. This reserve is used to recognise the value of equity settled share-based payments provided to option grantees. Refer Note 40 for further details of the plan.

f. **General Reserve**

The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General reserve is a free reserve available to the Company.

g. **Retained Earnings**

Retained Earnings are the profits that the Company has earned, net of amount distributed as dividends and including adjustments on account of transition to Ind AS.

h. **Equity Instruments through Other Comprehensive Income**

This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	**570.30**	346.60	**253.77**	157.16
From Others	**49.99**	55.15	**61.93**	52.44
	620.29	401.75	**315.70**	209.60

* Amount disclosed under the head 'Other Financial Liabilities' (Note 21).

16.1 Security and Repayment Terms:

Term Loans are repayable in 36 to 60 equated monthly instalments carrying varied interest from 8% to 10% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	**994.28**	967.51
Compensated absences	**292.34**	272.55
	1,286.62	1,240.06

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
18	**Deferred Tax (Assets) / Liabilities (net)**		
	Deferred Tax Assets		
	i. Provision for Impairment	**1,606.65**	1,586.85
	ii. Provision for expenses allowable on cash basis	**931.02**	896.93
	iii. Provision for Gratuity & Leave encashment	**557.42**	534.10
	iv. Unused tax losses - Unabsorbed Depreciation	**-**	436.84
	v. MAT Credit Entitlement	**2,569.23**	2,848.04
	vi. Lease Liabilities	**112.03**	-
	vii. Others	**17.80**	13.48
	Total	**5,794.15**	6,316.24
	Deferred Tax Liabilities		
	i. Property, Plant and Equipment and Other Intangible Assets	**6,198.12**	6,127.81
	ii. Right of Use Assets	**99.84**	-
	Total	**6,297.96**	6,127.81
		503.81	(188.43)

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
19	**Short-term Borrowings**		
	Secured		
	Loans Repayable on Demand from Banks		
	Cash Credits *	**-**	-
	Overdraft against lien of Bank Fixed Deposits	**1,833.47**	2,597.02
		1,833.47	2,597.02

19.1 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 movable properties, both, present and future. They are also secured by second mortgage and charge on the Company's immovable and movable properties, both, present and future, hypothecation of "Hathi" Brand, pledge of promoter shares and personal guarantee of two Directors of the Company.

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
20	**Trade Payables**		
	Due to Related Party [Refer Note 37.2(B)(iii)]	**-**	65.28
	Due to Micro and Small enterprises	**59.46**	93.68
	Due to Others	**5,399.46**	6,183.85
		5,458.92	6,342.81

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
20.1	Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :		
	i. Principal amount remaining unpaid	**59.46**	93.68
	ii. Interest accrued on the above amount and remaining unpaid	**-**	-
	iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	**-**	-
	iv. Interest paid in terms of Section 16	**-**	-
	v. Interest due and payable for payments already made	**-**	-
	vi. Interest accrued and remaining unpaid	**-**	-
	vii. Amount of further interest remaining due and payable even in succeeding years	**-**	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the company regarding the status of suppliers under the MSME.

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
21	**Other Financial Liabilities**		
	Current Maturities of Long-term borrowings		
	Term Loans		
	From Banks	**253.77**	157.16
	From Others	**61.93**	52.44
		315.70	209.60
	Unpaid Dividends	**16.20**	20.96
	Amounts Payable on Redemption of Preference Shares	**0.35**	0.35
	Security Deposits from Customers / Transporters	**1,008.45**	1,042.89
	Remuneration Payable to Key Managerial Personnel [Refer Note 37.2(B)(ii)(a&b)]	**35.73**	38.30
	Liabilities for Expenses at the year-end	**2,600.86**	638.28
	Others	**42.16**	21.45
		4,019.45	1,971.83

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
22	**Other Current Liabilities**		
	Statutory Dues	**3,557.62**	3,660.71
	Advances from Customers	**2,499.60**	1,430.49
	Advance against sale of Non-current Asset held for Disposal	**25.00**	25.00
	Unearned Revenue	**782.92**	788.51
	Others	**89.73**	114.76
		6,954.87	6,019.47

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
23	**Provisions**		
	For Employee Benefits (Refer Note 35)		
	Gratuity	**127.10**	127.20
	Compensated absences	**181.46**	161.19
		308.56	288.39

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
24	**Revenue from Operations**		
	Sale of Products	**60,224.00**	61,187.45
	Other Operating Revenue	**594.36**	982.58
		60,818.36	62,170.03
24.1	**Revenue from Contracts with Customers**		
A	**Revenue from contracts with customers disaggregated based on nature of products or services**		
	i Revenue from Sale of Products		
	Cement	**59,596.80**	59,923.45
	Clinker	**627.20**	1,264.00
		60,224.00	61,187.45
	ii. Other Operating Revenue		
	AFR Processing Income	**374.96**	50.99
	Sale of Power	**27.58**	412.33
	Sale of Scrap	**173.10**	491.22
	Export Entitlements	**18.72**	28.04
		594.36	982.58
		60,818.36	62,170.03
B	**Revenue from contracts with customers disaggregated based on geography**		
	i. Domestic	**58,935.12**	59,335.92
	ii. Export	**1,883.24**	2,834.11
		60,818.36	62,170.03
24.2	**Reconciliation of contract price with Revenue from Operations**		
	Contract price	**61,547.19**	62,913.05
	Add: Reversal of Unearned Revenue of earlier years	**324.01**	-
		61,871.20	62,913.05
	Less:		
	Discounts and Rate differences	**1,342.24**	1,360.86
	Customer loyalty programme	**19.05**	16.36
	Incentives and Schemes	**285.91**	348.38
	Revenue from sale of products	**60,224.00**	61,187.45
	Add: Other Operating Revenue	**594.36**	982.58
	Revenue from Operations	**60,818.36**	62,170.03

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
25 Other Income		
Interest Income on		
Fixed Deposits with Banks	**508.20**	512.88
Receivable from Subsidiary [Refer Note 37.2(A)(ii)(b)]	**13.05**	8.25
Financial Assets measured at amortised cost	**3.16**	2.57
Others	**4.04**	4.68
	528.45	528.38
Dividend Income from Non-current Investments	**22.29**	0.04
Miscellaneous Income	**209.77**	112.60
Net Gain on Foreign Currency Transactions and Translation	**-**	17.37
Insurance Claims	**3.34**	22.99
Bad Debts Recovered	**0.50**	1.23
Provision for Doubtful Debts Written Back	**-**	1.45
Excess Provision Written Back	**1.62**	82.40
Trade / Other Payables Written Back	**74.97**	66.60
	840.94	833.06

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
26 Cost of Materials Consumed		
Raw Materials		
Opening Stock	**728.85**	1,188.64
Add: Purchases	**1,269.16**	3,907.10
	1,998.01	5,095.74
Less: Closing Stock	**584.60**	728.85
	1,413.41	4,366.89
Royalty, Cess and Raw Material Handling Charges		
Limestone and Other Materials Handling Charges	**681.43**	638.62
Limestone / Marl Raising Charges	**728.52**	621.08
Royalty and Cess	**1,808.88**	1,797.75
	3,218.83	3,057.45
Packing Materials		
Opening Stock	**104.54**	109.90
Add: Purchases	**1,520.04**	1,912.73
	1,624.58	2,022.63
Less: Closing Stock	**149.54**	104.54
	1,475.04	1,918.09
	6,107.28	9,342.43

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
27	**Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress**		
	Stocks at the end		
	Finished Goods - Cement	**853.85**	1,019.76
	Work-in-progress - Raw Flour and Clinker	**1,789.27**	484.53
		2,643.12	1,504.29
	Less: Stocks at the Beginning		
	Finished Goods - Cement	**1,019.76**	862.54
	Work-in-progress - Raw Flour and Clinker	**484.53**	349.07
		1,504.29	1,211.61
		(1,138.83)	(292.68)

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
28	**Employee Benefits Expense**		
	[Refer Note 30.1(a)]		
	Salaries, Wages and Bonus	**3,723.08**	3,753.44
	Share based payments to employees (Refer Note 40)	**288.79**	696.28
	Contribution to Provident and Other Funds	**247.19**	241.80
	Gratuity Expense	**122.00**	119.79
	Staff Welfare Expenses	**143.77**	128.52
		4,524.83	4,939.83

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
29	**Finance Costs**		
	Interest expense		
	On Borrowings	**190.33**	256.94
	On Duties and Taxes	**127.25**	92.82
	On Others	**128.64**	123.95
		446.22	473.71
	Other Borrowing Costs	**1.29**	0.62
		447.51	474.33

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
30	**Other Expenses**		
	Stores and Spare Parts Consumed	**2,675.58**	3,695.13
	Power and Fuel	**16,559.41**	21,111.64
	Rent (Refer Note 34)	**142.48**	247.40
	Repairs and Maintenance:		
	Buildings	**209.54**	450.71
	Machinery	**1,553.23**	2,238.42
	Others	**690.20**	708.68
		2,452.97	3,397.81
	Insurance	**132.55**	103.80
	Rates and Taxes	**60.41**	74.65
	Advertisement and Business Promotion Expenses	**1,522.37**	1,223.18
	Freight and Handling Expenses	**12,740.25**	13,719.69
	Cement Packing Expenses	**644.02**	700.63
	Commission	**936.39**	1,025.75
	Directors' Fees	**54.95**	33.80
	Charity and Donation [Refer Note 30.1(b)]	**217.12**	12.33
	Traveling and Conveyance	**520.52**	464.15
	Legal and Professional Charges	**446.73**	491.03
	Auditor's Remuneration		
	Audit Fees	**11.00**	11.00
	Tax Audit Fees	**3.30**	3.00
	For Other Services - Certification Work	**5.70**	4.30
		20.00	18.30
	Bad Debts written off	**0.39**	-
	Less: Provision for Doubtful Debts Written Back	**(0.39)**	-
		-	-
	Net Loss on Foreign Currency Transactions and Translation	**74.52**	-
	Loss on Sale / Discard of Property, Plant and Equipment (Net)	**48.07**	11.47
	Corporate Social Responsibility (CSR) Expenditure (Refer Note 33)	**40.67**	81.93
	Miscellaneous Expenses	**1,128.25**	1,333.46
	Cost of Cement Self Consumed	**(11.29)**	(47.92)
		40,405.97	47,698.23
30.1	a. Employee Benefit Expense (Note 28) and Other Expenses (Note 30) as incurred on cost of raising and transporting limestone / marl are as under:		
	Salaries, Wages and Bonus	**131.90**	130.74
	Stores and Spare Parts Consumed	**364.34**	418.41
	Repairs and Maintenance to Machinery	**94.41**	82.42
	Raw Material Handling Charges	**417.97**	460.41
	Limestone / Marl Raising Charges	**728.52**	621.08
	Royalty and Cess	**1,808.88**	1,797.75
		3,546.02	3,510.81

b. Charity and Donation include donation of ₹ 200 lakhs (Previous Year: ₹ Nil) given to political parties.

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		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
31	**Exceptional Items**		
	Profit on sale of land	**-**	319.72
	Provision for Right of Recompense (Refer Note 31.1)	**(1,600.00)**	-
		(1,600.00)	319.72

31.1 In the year 2005, the Company's debt was restructured under Corporate Debt Restructuring (CDR) and the restructured debt including Funded Interest Term Loan (FITL) was fully repaid in the earlier years. One of the conditions of the restructuring was that the Lenders would have a Right of Recompense (ROR) in respect of the interest concessions given by the Lenders at the time of restructuring. Subsequently, a Rehabilitation Scheme was sanctioned by the Hon'ble BIFR in 2012, which did not envisage payment of recompense amount. The Company therefore informed the Lenders that ROR is not payable pursuant to the BIFR Scheme which override the previous schemes. The matter remained pending for long and in the interim period, SICA was repealed. The company filed an application before the NCLT Ahmedabad seeking directions to the Lenders that Recompense is not payable and for release of securities. NCLT advised the parties to try and settle the matter amicably. Accordingly, the Lenders after deliberations at Joint Lenders Meetings, agreed in principle to the Company's offer for an aggregate amount of ₹ 16 crores to be distributed among all the Lenders and recommend to their respective competent authorities for acceptance. While, erstwhile Dena Bank now merged into Bank of Baroda (BOB), the monitoring institution of CDR, having more than 50% stake in the Recompense amount has approved the proposal vide its letter no CFSBAL/ADV/RM_1/2019-20/127 dated February 07, 2020, the acceptance from other lenders got delayed due to COVID-19 pandemic. The Company has deposited ₹ 8 crores with BOB on February 10, 2020 as per the agreed terms. Since the matter has reached finality, the company has made provision of ₹ 16 crores in its accounts for the year ended March 31, 2020.

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
32	**Contingent Liabilities and Commitments**		
	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 / VAT	**3.41**	2.09
	ii. Excise Duty	**1,360.41**	1,370.44
	iii. Goods and Services Tax	**0.74**	0.74
	iv. Royalty	**15.12**	15.12
	v. Customs Duty	**50.00**	50.00
	vi. Claims filed by workmen or their union against the Company	**2.07**	1.99
	vii. On account of Power Supply	**525.13**	440.99
	viii. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
	ix. Other demands and claims	**42.27**	44.66
	Notes:		
	i. The Company does not expect any reimbursement in respect of the above contingent liabilities.		
	ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.		
	iii. The amounts stated are including interest and penalty, to the extent demanded.		
	ii. Commitments:		
	a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 1,435.28 lakhs, Previous Year: ₹ 1,059.33 lakhs) and not provided for.	**1,920.33**	1,413.21
	b. Other Commitments	**-**	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
33	**Corporate Social Responsibility (CSR)**		
	Gross amount required to be spent by the Company during the year	**36.50**	81.95
	Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year :		
	Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
	Rural Development	**2.00**	14.16
	Promoting Preventive Health Care, Environment and Sanitation	**4.45**	4.17
	Education Promotion	**34.22**	63.60
		40.67	81.93

34 Ind AS 116 on "Leases"

34.1 Transition to Ind AS 116:

The Company has adopted Ind AS 116 on "Leases" with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of ₹ 50.05 lakhs and corresponding lease liability of ₹ 50.05 lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

34.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Category of Right of use Assets	Gross Block	Accumulated Depreciation	₹ in lakhs Carrying Amount
Buildings			
Balance as at April 01, 2019	**50.05**	**-**	**50.05**
Additions	**352.05**	**112.48**	**239.57**
Deletions	**4.63**	**0.71**	**3.92**
Balance as at March 31, 2020	**397.47**	**111.77**	**285.70**

The aggregate depreciation expense amounting to ₹ 112.48 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	**₹ in lakhs**
Current lease liabilities	**131.05**
Non current lease liabilities	**162.45**
	293.50

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The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	**₹ in lakhs**
Balance as at April 01, 2019	**50.05**
Additions	**346.93**
Finance cost accrued	**21.47**
Deletions	**3.98**
Payment of lease liabilities	**120.97**
Balance as at March 31, 2020	**293.50**

The aggregate interest expense amounting to ₹ 21.47 lakhs on Lease Liabilities is included under Finance Costs (Interest expenses - Others) in the Statement of Profit and Loss.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	**₹ in lakhs**
Less than one year	**148.96**
One to five years	**171.65**
More than five years	**-**
	320.61

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹ 73.22 lakhs for the year ended March 31, 2020.

35 Employee benefits

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

35.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 247.19 lakhs (Previous Year: ₹ 241.80 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 28)

35.2 Defined Benefit Plan: Gratuity

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the Defined Benefit Plan	**Remarks**
Benefit offered	15 / 26 × Salary × Duration of Service
Salary Definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

35.3 The fund is a trust and it is governed by the Board of Trustees. Present strength of trustees is five. The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustee's duty to look after assets on behalf of employees who are entitled to benefit from those assets at future date. Investment of assets of fund is key responsibility of the trustees.

35.4 Risk to the Plan

i. Actuarial Risk:

The plan is subject to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future.

ii. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

NOTES FORMING PART OF FINANCIAL STATEMENTS

iii. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

			As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
35.5	i.	**Changes in Present Value of Obligations:**		
		Present Value of Obligation at the beginning	**1,105.57**	1,035.97
		Current Service Cost	**40.23**	39.94
		Past Service Cost	**-**	-
		Interest Cost	**82.58**	81.01
		Actuarial (Gain) / Loss due to:		
		- Change in Financial Assumptions	**60.66**	14.71
		- Change in Demographic Assumptions	**(3.48)**	-
		- Experience Changes	**23.51**	37.95
		Benefits paid	**(176.51)**	(104.01)
		Present Value of Obligation as at the end	**1,132.56**	1,105.57
	ii.	**Changes in Fair Value of Plan Assets:**		
		Fair value of Plan Assets at the beginning	**10.86**	14.85
		Expected return on Plan Assets	**0.81**	1.16
		Contributions by the employer	**176.51**	99.42
		Benefits paid	**(176.51)**	(104.01)
		Return on plan assets excluding amounts included in interest income	**(0.49)**	(0.56)
		Fair value of Plan Assets as at the end	**11.18**	10.86
	iii.	**The amount recognised in Balance Sheet**		
		Gross value of Present Obligation at the end	**1,132.56**	1,105.57
		Fair Value of Plan Assets at the end	**11.18**	10.86
		Net Liability / (Asset) recognised in Balance Sheet	**1,121.38**	1,094.71
	iv.	**Amount recognised in the Statement of Profit and Loss**		
		Current Service Cost	**40.23**	39.94
		Past Service Cost	**-**	-
		Interest Cost	**82.58**	81.01
		Expected return on Plan Assets	**(0.81)**	(1.16)
		Expenses Recognised in the Statement of Profit and Loss	**122.00**	119.79
	v.	**Amount recognised in Other Comprehensive Income**		
		Components of Actuarial (Gain) / Loss:		
		- Change in Financial Assumptions	**60.66**	14.71
		- Change in Demographic Assumptions	**(3.48)**	-
		- Experience Changes	**23.51**	37.95
		- Return on plan assets excluding amounts included in interest income	**0.49**	0.56
		Amount recognised in Other Comprehensive Income	**81.18**	53.22

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		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
vi.	**Category of Assets**		
	Insurer Managed Funds	**11.18**	10.86
vii.	**Maturity Profile of the Defined Benefit Obligation**		
	1st Following Year (Within next 12 months)	**276.20**	234.12
	2nd Following Year	**98.48**	114.43
	3rd Following Year	**141.56**	172.95
	4th Following Year	**173.97**	134.16
	5th Following Year	**114.23**	169.29
	Sum of Years 6 to 10	**422.57**	442.31
	Sum of Years 11 and above	**302.68**	329.57
viii.	**Sensitivity Analysis for significant assumptions ***		
	Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
	1% increase in discount rate	**(43.30)**	(40.81)
	1% decrease in discount rate	**47.95**	44.80
	1% increase in salary escalation rate	**46.32**	43.56
	1% decrease in salary escalation rate	**(42.55)**	(40.33)
	1% increase in employee turnover rate	**2.74**	5.98
	1% decrease in employee turnover rate	**(3.01)**	(6.52)
ix.	**Assumptions**		
	Mortality Table - Indian Assured Life Mortality 2006-08		
	Discount Rate	**6.04%**	7.47%
	Rate of increase in compensation levels	**5.00%**	5.00%
	Expected Return on Plan Assets	**6.04%**	7.47%
	Attrition Rate		
	- For service 4 years and below	**15.00%**	Uniform
	- For service 5 years and above	**2.00%**	Rate of 2%
x.	Weighted average duration of Defined Benefit Obligation	**5 years**	5 years

xi. 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.

xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

xiii. **Asset Liability matching strategy**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity.

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present

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value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 Segment Reporting

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by the Manangement which includes mainly Cement and Clinker. Segments have been identified taking into account nature of product and differential risk and return of the segment. The business segments are reviewed by the Managing Director of the Company (CODM).

37 Related Party Disclosures

37.1 List of related parties:

i. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital:

a. Fawn Trading Co. Private Limited
b. Fern Trading Co. Private Limited
c. Willow Trading Co. Private Limited
d. Tejashree Trading Co. Private Limited
e. Pallor Trading Co. Private Limited
f. The Mehta International Limited
g. Mehta Private Limited
h. Sameta Exports Private Limited
i. Sunnidhi Trading Private Limited
j. Sumaraj Holdings Private Limited
k. Arj Investments Limited
l. Samja Mauritius Limited
m. Villa Trading Company Private Limited
n. Galaxy Technologies Private Limited
o. The Sea Island Investments Limited
p. Parsec Enterprises Private Limited
q. Bhadra Textiles and Trading Private Limited
r. Omna Enterprises LLP

ii. Subsidiary Company:
Agrima Consultants International Limited

iii. Key Management Personnel:

a. Mr. M. N. Mehta - Chairman
b. Mr. Jay Mehta - Executive Vice Chairman
c. Mr. M. S. Gilotra - Managing Director
d. Mr. Hemang D. Mehta - Non-Executive Director
e. Mr. Hemnabh R. Khatau - Non-Executive Director
f. Mr. S. V. S. Raghavan - Independent Director *
g. Mr. M. N. Rao - Independent Director
h. Mr. B. P. Deshmukh - Independent Director
i. Mr. K. N. Bhandari - Independent Director
j. Mr. Jayant N. Godbole - Independent Director
k. Mr. Bimal R. Thakkar - Independent Director
l. Mr. Ashwani Kumar - Independent Director
m. Mrs. Bhagyam Ramani - Independent Director
* Ceased to be director w.e.f. 26.05.2019

iv. Enterprise having Key Management Personnel in common:
Gujarat Sidhee Cement Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

37.2 Transactions and Balances with related parties:

A Transactions with related parties:

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
i.	**Compensation paid to Key Management Personnel *:** (Short-term employee benefits)		
	a. Mr. Jay Mehta **	**404.62**	297.89
	b. Mr. M. S. Gilotra ***	**343.41**	259.56
	* As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.		
	** includes Commission of ₹ 104.72 lakhs, Previous Year: ₹ Nil		
	*** includes Commission of ₹ 69.82 lakhs, Previous Year: ₹ Nil		
ii.	**Transactions with Subsidiary Company:**		
	a. Rent / Expenses reimbursements	**15.17**	15.50
	b. Interest Income on loan	**13.05**	8.25
iii.	**Transactions with Key Management Personnel:**		
	a. Directors sitting fees	**54.95**	33.80
	b. Dividend on Equity Shares	**1.66**	0.95
iv.	**Transactions with relatives of Key Management Personnel:**		
	Dividend on Equity Shares	**61.97**	37.21
v.	**Transactions with Gujarat Sidhee Cement Limited**		
	a. Purchase of goods and materials	**58.77**	1,868.62
	b. Expenses / (Recovery) for services (net)	**(154.41)**	(76.12)

B Outstanding Balances as at the year-end

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
i.	**Balances with Subsidiary Company:**		
	a. Loans receivable	**137.00**	147.00
	b. Interest accrued but not due on loans	**21.30**	8.25
ii.	**Balances with Key Management Personnel:**		
	a. Remuneration payable to Mr. M S Gilotra	**14.16**	16.23
	b. Remuneration payable to Mr. Jay M Mehta	**21.57**	22.07
	c. Travelling Advance to Mr. Jay M Mehta	**-**	6.23
iii.	**Balance with Gujarat Sidhee Cement Limited**		
	Amount payable / (receivable)	**(133.24)**	65.28

C Terms and conditions of transactions and balances with related parties

i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

ii. Outstanding balances at the year end are unsecured and interest free except amount receivable from Subsidiary Company, which carries interest rate @ 9% p.a. and settlement occurs in cash.

iii. There have been no guarantees provided or received for any related party transaction.

iv. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

NOTES FORMING PART OF FINANCIAL STATEMENTS

38 Capital Management:

The primary objective of Company's Capital Management is to maximize shareholder value without having any adverse impact on interests of other stakeholders. At the same time, company strives to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's Capital Management, debt includes borrowings and current maturities of long term debt and equity includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Company.

The Company monitors capital using Debt to Equity ratio, which is total debt divided by total equity. Debt to Equity ratio are as follows :

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Total Debt (A)	**2,769.46**	3,208.37
Total Equity (B)	**45,211.91**	40,938.13
Debts Equity Ratio (A/B)	**0.06**	0.08

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
39 Income Tax expense		
39.1 Income tax expense recognised in the Statement of Profit & Loss:		
i Current Income Tax		
In respect of current year	**1,357.81**	-
Adjustments in respect of tax of earlier years	**4.92**	20.45
Total current income tax	**1,362.73**	20.45
ii Deferred Tax		
In respect of current year origination and reversal of temporary difference	**441.80**	(223.75)
In respect of utilisation of B/f MAT credit	**278.80**	-
In respect of MAT credit entitlement of earlier years	**-**	17.68
Total Deferred Tax	**720.60**	(206.07)
Income Tax expense	**2,083.33**	(185.62)
39.2 Income tax charge / (credit) recognised in Other Comprehensive Income:		
Deferred Tax		
In respect of remeasurement gain (loss) of defined benefit plan	**(28.37)**	(18.60)
39.3 Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:		
Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	**(28.37)**	(18.60)

NOTES FORMING PART OF FINANCIAL STATEMENTS

39.4 Reconciliation of Income Tax Expense with the accounting profit multiplied by Company's tax rate

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
Accounting profit / (loss) before tax	**7,744.31**	(672.87)
Applicable Tax Rate *	**34.944%**	34.944%
Computed Tax Expense	**2,706.17**	(235.13)
Effect of non deductible items	**276.56**	143.29
Effect of deductible items	**(187.50)**	(345.02)
Effect of exempt income	**(7.78)**	-
Effect of Brought forward unused tax losses	**(434.98)**	-
Effect of deductions under Chapter VI-A	**(715.86)**	-
Effect of unused tax losses	**-**	436.86
Adjustment of income tax of earlier year	**4.92**	20.45
Adjustment of MAT Credit entitlement of earlier years	**-**	17.68
Deferred tax adjustment	**441.80**	(223.75)
Tax Expenses recognised in Statement of Profit and Loss	**2,083.33**	(185.62)
Effective Tax Rate	**26.90%**	27.59%

*The tax rate used for reconciliation is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

40 Share Based Payments

40.1 Saurashtra Employee Stock Option Scheme 2017

In the Annual General Meeting held on July 26, 2017, shareholders of the company approved Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017). The Nomination and Remuneration Committee at its meeting held on February 08, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the company as also to retain them. Each option carries the right to the holder to apply for one equity share of the company at par. The salient features of the Scheme are as below:

Particulars	Details
No. of Options	16,33,253
Date of Grant	February 08, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	75.31
Method of Settlement	Equity

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2020 Nos	Weighted average exercise price per option (₹)	As at March 31, 2020 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	**14,49,527**	**10**	16,33,253	10
Granted during the year	**-**	**-**	-	-
Exercised during the year	**2,14,573**	**10**	1,62,346	10
Forfeited / lapsed during the year	**27,100**	**10**	21,380	10
Outstanding at the end of the year	**12,07,854**	**10**	14,49,527	10
Options exercisable at the end of the year	**6,96,017**	**10**	4,09,309	10

The weighted average share price during the period of exercise of options was ₹ 44.19 per share, Previous Year: ₹ 44.88. Weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 2 years and 9 months (Previous Year: 3 years and 5 months)

NOTES FORMING PART OF FINANCIAL STATEMENTS

40.3 Fair Valuation

No options were granted during the year. The fair valuation of option granted during FY 2017-18 have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

i. Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)

ii. Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)

iii. Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)

iv. Dividend Yield : 1.15%

* Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Statement of Profit and Loss is ₹ 288.79 lakhs (Previous Year: ₹ 696.28 lakhs).

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note No.	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	**8**	**3,435.17**	1,580.27
Loans	**4 and 11**	**266.20**	293.67
Cash and Bank Balances	**9 and 10**	**10,235.69**	8,047.25
Other Financial Assets	**5 and 12**	**266.85**	304.27
Financial Assets at fair value through Other Comprehensive Income:			
Investments	**3**	**353.45**	531.79
Total		**14,557.36**	10,757.25
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	**16**	**620.29**	401.75
Overdraft against lien of Bank Fixed Deposits	**19**	**1,833.47**	2,597.02
Trade payables	**20**	**5,458.92**	6,342.81
Lease Liabilities	**34**	**293.50**	-
Other Financial Liabilities	**21**	**4,019.45**	1,971.83
Total		**12,225.63**	11,313.41

The fair value of Bank Deposits with more than 12 months maturities & earmarked balances and fair value of borrowed funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTES FORMING PART OF FINANCIAL STATEMENTS

41.2 Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Receivables are evaluated by the Company based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.

ii. The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.

iii. The fair values of quoted equity instruments are derived from quoted market prices in active markets.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	**352.20**	530.54
Investments - Level 2	**1.25**	1.25
Total	**353.45**	531.79

There is no transfer between Level 1 and Level 2 during the year.

41.3 Financial Risk Management Framework:

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The sources of risks which the company is exposed to and their management is given below:

Risk	**Exposure Arising From**	**Measurement**	**Management**
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credt worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction, Financial asset and Liabilities not denominated in INR	There are no major foreign exchange transactions	Foreign exchange transaction are in the nature of current payment and effected at current exchange rate.
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, foreign exchange risk and commodity price risk in a fluctuating market environment. Financial instrument affected by market risks includes foreign currency receivables and payables.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Trade Advances		
GBP	**1.54**	20.02
SGD	**-**	5.45

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates only to the overdraft facility availed in INR against fixed deposits. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft facility against same to meet temporary fund requirement. The interest rate on overdraft facility is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated.

Interest rate exposure:

There is no significant interest rate risk as overdraft facility against fixed deposits have fixed margin over the interest rates of fixed deposits.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Export sales is mainly against advance payment or letter of credit.

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as on March 31, 2020 is ₹ 3,448.91 lakhs, Previous Year: ₹ 1,594.40 lakhs.

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification. This is further substantiated by the fact that entire bad debt written off during the current year was fully provided for in earlier years and no bad debt has been written of during the previous year. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Opening Provision	**14.13**	15.58
Add: Provided during the year	**-**	-
Less: Utilised / written back during the year	**0.39**	1.45
Closing Provision	**13.74**	14.13

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

As at March 31, 2020	**Less than 1 year / On demand**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings (including current maturities of long-term debts)	**2,149.17**	**620.29**	**-**	**2,769.46**
Trade payables	**5,458.92**	**-**	**-**	**5,458.92**
Lease Liabilities	**148.96**	**171.65**	**-**	**320.61**
Other financial liabilities	**3,703.75**	**-**	**-**	**3,703.75**

₹ in lakhs

As at March 31, 2019	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	2,806.62	401.75	-	3,208.37
Trade payables	6,342.81	-	-	6,342.81
Other financial liabilities	1,762.23	-	-	1,762.23

NOTES FORMING PART OF FINANCIAL STATEMENTS

42 The Board of Directors of the Company have approved a proposal for amalgamation of a promoter company, Parsec Enterprises Pvt. Ltd. (PEPL) with the Company. The appointed date for the Scheme is April 1, 2020 and the Amalgamation Scheme will be effective from the last date on which the order approving the NCLT scheme is filed by PEPL or the company with the ROC.

On approval of the Scheme by the concerned authorities, the shares of the Company held by PEPL will be cancelled and equivalent number of new shares of the Company will be issued to the shareholders of PEPL in proportion to their holding in PEPL.

43 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be from short to medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
44 Earnings Per Share		
Basic earnings per share		
Net Profit / (Loss) for the year	**5,660.98**	(487.25)
Weighted average number of equity shares outstanding	**6,94,39,368**	6,91,93,870
Basic earnings per share (in ₹)	**8.15**	(0.70)
Diluted earnings per share		
Net Profit / (Loss) for the year	**5,660.98**	(487.25)
Weighted average number of equity shares outstanding	**6,94,39,368**	6,91,93,870
Add: Weighted average number of potential equity shares on account of outstanding Employee Stock Options	**3,87,406**	*
Weighted average number of equity shares outstanding for diluted EPS	**6,98,26,774**	6,91,93,870
Diluted earnings per share (in ₹)	**8.11**	(0.70)

*As the Company has incurred loss during the previous year, dilutive effect of potential equity shares on account of 14,49,527 Employee Stock Options Outstanding would have an anti-dilutive impact on weighted average number of shares and hence, not considered.

45 Previous year figures have been recasted / restated where necessary.

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of Saurashtra Cement Limited
Report on the Consolidated Financial Statements
Opinion

We have audited the accompanying consolidated financial statements of Saurashtra Cement Limited ('the Company' or 'the Holding Company'), and its subsidiary (the Holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

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 including Ind AS, of the consolidated state of affairs of the Group, as at March 31st, 2020 of consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the general key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recognition of Deferred Tax Assets The Company has recognized Deferred Tax Assets on tax credit (MAT) which involves significant judgment to determine whether there will be reasonable certainty of taxable income against which the tax credit will be utilized. We have considered this matter to be key audit matter considering the significant judgement involved in estimating future taxable income against which such assets can be realized. Refer Note No 18 to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: - Obtained details of completed tax assessments up to year ended March 31, 2020 from management. - We involved our internal experts to review management's underlying assumptions in estimating the tax provision. - Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax provisions. - We evaluated the estimates of profitability made by the management on the basis of which it is considered that the company will have sufficient taxable income against which tax credit will be utilized.

Key Audit Matter	Auditor's Response
Uncertain tax position under Indirect Tax Laws The company has material tax litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount. We have considered these matters to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. Refer Note No 22 & 32 to the Consolidated Financial Statements	- Verified that recognition of such assets is made in accordance with Ind AS 12 "Income Taxes". Our audit procedures include the following substantive procedures: - Obtained the details of uncertain tax position and gained understanding thereof. - Read and analyzed relevant communication with the authorities and legal consultants. - We have perused the opinion of legal consultant obtained by the management on possible outcome of the litigation. - Discussed with senior management and evaluated management's assumptions regarding provisions made. - Verified that accounting treatment / disclosure in respect of pending litigations is in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
Impairment of Capital Work in Progress (CWIP) The company has incurred the expenditure of ₹ 8,107.17 Lakhs on expansion project in earlier years. The expenditure comprised of cost of imported plant & machineries (including related stores and spares), civil work and pre-operative expenses (including interest capitalized). Balance of ₹ 7,892.10 Lakhs on March 31, 2020 is shown under Capital Work in Progress in balance sheet. The project was suspended in the year 2005. However, the company intends to install the assets at a later date, depending upon the market condition. Considering this, the valuation of assets has been done by obtaining report of project consultant. Based on the valuation report aggregate provision of ₹ 4,597.78 up to March 31, 2020 has been made for impairment of the said assets, which includes ₹ 56.64 Lakhs provision for the current year. We have considered this matter to be key audit matter considering the significant judgement involved in valuation of assets for the purpose of determining Impairment. Refer Note No 2 to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: - Obtained the details of assets and expenditure incurred in respect of expansion project. - Carried out physical verification of the assets and assessed their condition. - Discussed with senior management about their plan for utilization of the assets at a later date. - Assessed the valuation expert's competency and objectivity. - Perused the valuation report of the valuation expert and reviewed methods and underlying assumptions on the basis of which valuation has been made. - Verified the working of the amount of provision made for impairment of the assets. - Verified that accounting treatment / disclosure in respect of impairment of assets is in accordance with Ind AS 36 "Impairment of Assets".
Estimation of Incentives to customers The Company sells its products through various channels such as dealers and commission agents; (customers) and recognise liabilities related to incentives payable to them under various marketing schemes. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the incentives as per the scheme. With regard to the determination of revenue, the management is required to make significant estimates in respect of the followings:- - The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company; - Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management. Refer Note No 22 to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: - Obtained an understanding from the management with regard to controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls. - Tested the inputs used in the estimation of revenue in context of incentives. - Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. - Analysed past trends by comparing actuals with the estimates of earlier periods. - Verified that accounting treatment is in accordance with Ind AS 115 "Revenue from Contracts with Customers". Based on the above procedures, we did not identify any significant deviation to assessment made by management in respect of estimation of liabilities for incentives.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 of 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 statement 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 Directors of the Holding Company, as aforesaid

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the subsidiary whose Financial Statements include total assets of ₹ 38.83 lakhs (before adjustment of consolidation) and net assets of ₹ (121.43) Lakhs (before adjustment of consolidation) as at March 31, 2020 and total revenue of ₹ 24.73 lakhs (before adjustment of consolidation) and net cash flow of ₹ (5.46) Lakhs (before adjustment of consolidation) for the year ended on that date. These financial statements, other financial information and auditor's report have been furnished to us by the management of the company.

Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditor.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of the Act.

    h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 32 to the consolidated financial statements.

        (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended March 31, 2020.

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABH2439

Place : Ahmedabad
Date : May 18, 2020

ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Saurashtra Cement Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Saurashtra Cement Limited (hereinafter referred to as "Company") and its subsidiary company, which is company incorporated in India, as of that date, as of and for the year ended March 31, 2020, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which is company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, is based on the corresponding reports of the auditors of the company.

For, **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W /W100136

(K C Patel)
Partner
Membership No. 30083
UDIN: 20030083AAAABH2439

Place : Ahmedabad
Date : May 18, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	**34,791.55**	34,847.95
(b) Capital Work-in-Progress	2	**3,793.78**	3,701.99
(c) Right of Use Assets	2	**285.70**	-
(d) Other Intangible Assets	2	**13.78**	12.83
(e) Financial Assets			
(i) Investments	3	**353.70**	532.04
(ii) Loans	4	**136.33**	150.73
(iii) Other Financial Assets	5	**51.66**	105.00
(f) Deferred Tax Assets (Net)	18	**-**	188.43
(g) Other Non-Current Assets	6	**2,434.38**	2,024.65
SUB-TOTAL		**41,860.88**	41,563.62
CURRENT ASSETS			
(a) Inventories	7	**9,965.73**	7,841.51
(b) Financial Assets			
(i) Trade Receivables	8	**3,435.17**	1,580.27
(ii) Cash and Cash Equivalents	9	**838.08**	760.04
(iii) Bank Balances other than (ii) above	10	**9,408.82**	7,303.88
(iv) Loans	11	**7.75**	11.74
(v) Other Financial Assets	12	**193.89**	191.02
(c) Other Current Assets	13	**661.61**	439.78
SUB-TOTAL		**24,511.05**	18,128.24
TOTAL ASSETS		**66,371.93**	59,691.86
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	**6,952.15**	6,934.04
(b) Other Equity	15	**38,138.33**	33,893.06
SUB-TOTAL		**45,090.48**	40,827.10
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	**620.29**	401.75
(ii) Lease Liabilities	34	**162.45**	-
(b) Provisions	17	**1,286.62**	1,240.06
(c) Deferred Tax Liabilities (Net)	18	**503.81**	-
SUB-TOTAL		**2,573.17**	1,641.81
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	**1,833.47**	2,597.02
(ii) Trade Payables	20		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		**59.46**	93.68
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		**5,401.32**	6,252.56
(iii) Lease Liabilities	34	**131.05**	-
(iv) Other Financial Liabilities	21	**4,019.45**	1,971.83
(b) Other current liabilities	22	**6,954.97**	6,019.47
(c) Provisions	23	**308.56**	288.39
SUB-TOTAL		**18,708.28**	17,222.95
TOTAL EQUITY AND LIABILITIES		**66,371.93**	59,691.86
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 46		

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
Revenue from Operations	24	60,818.36	62,170.03
Other Income	25	840.62	838.03
Total Income		61,658.98	63,008.06
Expenses			
(a) Cost of Materials Consumed	26	6,107.28	9,342.43
(b) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	27	(1,138.83)	(292.68)
(c) Employee Benefits Expense	28	4,524.83	4,939.83
(d) Finance Costs	29	447.51	474.33
(e) Depreciation and Amortisation Expenses	2	1,968.23	1,833.54
(f) Other Expenses	30	40,416.05	47,708.20
Total Expenses		52,325.07	64,005.65
Profit / (Loss) before Exceptional Items and tax		9,333.91	(997.59)
Exceptional Items	31	(1,600.00)	319.72
Profit / (Loss) before tax		7,733.91	(677.87)
Tax Expense	39		
(a) Current tax		1,357.81	-
(b) Relating to previous years		4.92	20.32
(c) Deferred tax		720.60	(206.07)
Total Tax Expense		2,083.33	(185.75)
Profit / (Loss) for the year		5,650.58	(492.12)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(81.18)	(53.22)
(b) Effect of measuring Equity Instruments on Fair Value		(178.33)	(82.31)
(c) Income tax on (a) & (b)		28.37	18.60
Total Other Comprehensive Income for the year (net of tax)		(231.14)	(116.93)
Total Comprehensive Income for the year		5,419.44	(609.05)
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	45	8.14	(0.71)
(b) Diluted (₹ per share)	45	8.09	(0.71)
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 46		

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

(₹ In lakhs)

Balance as at April 01, 2018	Changes in Equity Share Capital during the year 2018-19	Balance as at March 31, 2019	Changes in Equity Share Capital during the year 2019-20	Balance as at March 31, 2020
6,919.11	14.62	6,933.73	**18.11**	**6,951.84**

B. OTHER EQUITY

(₹ In lakhs)

Particulars	Share application money pending allotment	Capital Reserve	Reserves and Surplus				Equity	Total	
			Capital Redemption Reserve	Securities Premium	Share Options Outstanding	General Reserve	Retained Earnings	Instruments through Other Comprehensive Income	
Balance at the beginning of the Reporting Period i.e. **As at April 01, 2018**	-	2,712.70	737.60	10,566.71	106.71	5,786.29	17,817.15	(3,088.81)	34,638.35
Loss for the year	-	-	-	-	-	-	(492.12)	-	(492.12)
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	(82.31)	(82.31)
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(34.62)	-	(34.62)
Total Comprehensive Income for the year	-	-	-	-	-	-	(526.74)	(82.31)	(609.05)
Dividend on Equity Shares	-	-	-	-	-	-	(691.91)	-	(691.91)
Dividend Distribution Tax	-	-	-	-	-	-	(142.22)	-	(142.22)
Share Application Money received on exercise of Employee Stock Options, pending allotment	1.61	-	-	-	-	-	-	-	1.61
Share based payments to employees	-	-	-	-	703.91	-	-	-	703.91
Employee Stock Options exercised during the year	-	-	-	110.49	(110.49)	-	-	-	-
Employee Stock Options lapsed during the year	-	-	-	-	(7.63)	-	-	-	(7.63)
Balance at the end of the Reporting Period i.e. **As at March 31, 2019**	1.61	2,712.70	737.60	10,677.20	692.50	5,786.29	16,456.28	(3,171.12)	33,893.06
Balance at the beginning of the Reporting Period i.e. **As at April 01, 2019**	**1.61**	**2,712.70**	**737.60**	**10,677.20**	**692.50**	**5,786.29**	**16,456.28**	**(3,171.12)**	**33,893.06**
Profit for the year	-	-	-	-	-	**-**	**5,660.98**	**-**	**5,660.98**
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-	**(178.33)**	**(178.33)**
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	**(52.81)**	**-**	**(52.81)**
Total Comprehensive Income for the year	-	-	-	-	-	-	**5,597.77**	**(178.33)**	**5,419.44**
Issue of Equity Shares	**(1.61)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.61)**
Dividend on Equity Shares (Refer Note 14.5)	-	-	-	-	-	-	**(1,216.29)**	**-**	**(1,216.29)**
Dividend Distribution Tax	-	-	-	-	-	-	**(250.01)**	**-**	**(250.01)**
Share Application Money received on exercise of Employee Stock Options, pending allotment	**4.95**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.95**
Share based payments to employees	-	-	-	-	**297.30**	**-**	**-**	**-**	**297.30**
Employee Stock Options exercised during the year	-	-	-	**136.85**	**(136.85)**	**-**	**-**	**-**	**-**
Employee Stock Options lapsed during the year	-	-	-	-	**(8.51)**	**-**	**-**	**-**	**(8.51)**
Balance at the end of the Reporting Period i.e. **As at March 31, 2020**	**4.95**	**2,712.70**	**737.60**	**10,814.05**	**844.44**	**5,786.29**	**20,587.75**	**(3,349.45)**	**38,138.33**

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors

Jay M. Mehta	Executive Vice-Chairman
M. N. Rao	Director
M. S. Gilotra	Managing Director
Rakesh Mehta	Chief Financial Officer
Sonali Sanas	Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	**7,733.91**	(677.87)
Adjustments for :		
Add: Finance Costs	**447.51**	470.38
Loss on Sale / Discard of Property, Plant and Equipment	**48.07**	13.22
Exceptional items	**1,600.00**	-
Fair Value changes	**3.16**	2.57
Increase in Provision for Leave and Gratuity Expenses	**-**	46.67
Share-based Payments to Employees	**288.79**	696.28
Depreciation and Amortisation Expense	**1,968.23**	3,062.66
	4,355.76	3,060.91
Less: Interest Income	**(511.36)**	(515.45)
Dividend Income	**(22.33)**	(0.08)
Decrease in Provision for Leave and Gratuity Expenses	**(14.45)**	-
Exceptional items	**-**	(319.72)
Excess Provision and Trade / Other Payables Written Back	**(76.59)**	(149.69)
Gain on Termination of Lease	**(0.07)**	-
Initial direct costs for Right of use Asset	**(0.47)**	-
Provision for Doubtful Debts Written Back	**-**	(1.45)
	(625.27)	(986.39)
Operating Profit before Working Capital changes	**11,464.40**	1,398.40
Adjustments for increase / decrease in:		
Trade Payables, Financial Liabilities and Other Current Liabilities	**365.48**	1,674.58
Long-term Loans and Other Non-Current Assets	**8.82**	16.55
Inventories	**(2,124.22)**	(2,212.74)
Trade Receivables	**(1,854.90)**	315.67
Short-term Loans, Financial Assets and Other Current Assets	**(226.29)**	602.03
	(3,831.11)	396.09
Cash Generated from Operations	**7,633.29**	1,794.49
Add: Direct Taxes (Payments) / Refunds	**(1,393.98)**	(328.70)
Net Cash Generated from Operating Activities	**6,239.31**	1,465.79
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**(2,366.43)**	(3,148.56)
Proceeds from Sale of Property, Plant and Equipment	**50.32**	30.78
Proceeds from Sale of Non-Current Asset held for disposal	**-**	397.01
(Increase) / Decrease in Bank Deposits	**(2,056.36)**	305.10
Interest income on Bank Deposits	**512.19**	539.08
Repayment received against Inter Corporate Loans given	**-**	316.77
Dividend Income	**22.33**	0.08
Net Cash used in Investing Activities	**(3,837.95)**	(1,559.74)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on exercise of Employee Stock options	**21.45**	16.23
Proceeds from Long-term Borrowings	**610.39**	359.22
Repayment of Long-term Borrowings	**(285.75)**	(156.83)
Proceeds from / (Repayment of) Short-term Borrowings (Net)	**(763.55)**	1,290.64
Payment of Lease Liabilities	**(120.97)**	-
Finance Costs Paid	**(318.59)**	(387.27)
Dividend Paid	**(1,216.29)**	(691.91)
Dividend Distribution Tax Paid	**(250.01)**	(142.22)
Net Cash Generated from / (used in) Financing Activities	**(2,323.32)**	287.86
Net increase in Cash and Cash Equivalents	**78.04**	193.91
Cash and Cash Equivalents at the beginning of the year	**760.04**	566.13
Cash and Cash Equivalents at the end of the year (Refer Note 9)	**838.08**	760.04

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2 **Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"**

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

₹ in lakhs

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings	**2,597.02**	**(763.55)**	**-**	**1,833.47**
Long Term Borrowings (including Current maturities)	**611.35**	**324.64**	**-**	**935.99**
Bank Balances other than Cash and Cash Equivalents	**7,408.88**	**(2,056.36)**	**-**	**9,460.48**

Note: Figures in bracket indicates cash outflows.

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors

Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

A Company Overview:

Saurashtra Cement Limited (“the Company” or “the Holding Company”) is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Company is engaged in the business of manufacturing and selling of Cement. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for publication on May 18, 2020.

B Principles of Consolidation:

i. These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS 110 - Consolidated Financial Statements, specified under Section 133 of the Companies Act, 2013.

ii. The financial statements of the Company and its Subsidiary (“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.

iii. As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate Financial Statements.

iv. The excess of cost to the 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.

C Subsidiary considered in the Consolidated Financial Statements is:

No.	Name of the Company	Country of Incorporation	Parent’s holding as at March 31, 2020	Parent’s holding as at March 31, 2019	Financial Year ends
i.	Agrima Consultants International Limited	India	**100.00%**	100.00%	March 31

D Significant Accounting Policies

1.1 Statement of Compliance:

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1.2 Basis of Preparation and Presentation:

a) Basis of Preparation:

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (Refer Note 1.18 being accounting policy regarding financial instruments)
- Assets held for sale - measured at the lower of its carrying amount and fair value less estimated costs to sell
- Employee’s Defined Benefit Plan measured as per actuarial valuation

b) Functional and Presentation Currency:

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Group and all values are rounded to the nearest lakhs, except when otherwise indicated.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

c) Classification of Assets and Liabilities into Current/Non-current:

i. The Group presents assets and liabilities in the Consolidated Balance Sheet based on Current/ Non-current classification.

ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of Current/Non-current classification of its Assets and Liabilities.

iii. An asset is classified as Current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

iv. A liability is classified as Current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

v. Deferred Tax Assets and Liabilities are classified as Non-current assets and liabilities.

1.3 Property, Plant and Equipment (PPE):

i. The Group has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and/or any accumulated impairment loss. An item of PPE is recognised as an asset, if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof and are material, else, such spare parts, etc. are classified as inventory.

iii. The cost comprises of - purchase price (net of recoverable GST / CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as "Capital Work-in-progress". 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. The same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.

1.4 Depreciation / Amortisation:

i. Depreciation on PPE is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation (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 or as per technical assessment. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the change is recognised in the Consolidated Statement of Profit and Loss with appropriate disclosure thereof.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Group has determined the useful life of that significant part separately ("Component Accounting"). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Group has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.

iii. Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and from the date, the asset is derecognised.

iv. Premium on leasehold land of long lease duration is not amortised, being not material.

1.5 Non-current Assets held for sale:

Items of PPE, which are retired from active use and held for disposal and where the sale is highly probable, are classified under Other Current Assets. The same are carried at the lower of their carrying amounts and fair value less estimated costs to sell. Any write-down in this regard is recognised immediately in the Consolidated Statement of Profit and Loss.

1.6 Intangible Assets:

Intangible Assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets being computer software are amortised on the "Straight-line Method" over a period of three years.

1.7 Leases:

The Group's leased assets consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Refer Note 34 for impact of transition and disclosures pursuant to Ind AS 116.

1.8 Impairment of Non-financial Assets:

i. The Group, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.

ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

i. **Raw materials, Fuels, Stores and spare parts and Packing materials -** At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.

ii. **Work-in-progress (WIP), Finished goods and Stock-in-trade -** At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Revenue and Income Recognition:

A Revenue from Contracts with Customers

i. Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the goods on its receipt.

Revenue is measured at the amount of transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns, incentives and applicable Goods and Services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales rebates, discounts and incentives. The rebates, discounts, incentives and right of return are estimated and provided for, based on past experience.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to avail various products. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry.

ii. In case of Export of goods, the control of goods is transferred on receipt of Bill of Lading / Mate Receipt.

B Other Operating Revenue - Export entitlement

Export entitlements are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.

C Income Recognition

i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.

ii. Dividend income from investments is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

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 at the spot rates of exchange of functional currency at the reporting date.

iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 expense in the Consolidated Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

1.13 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 render 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 Actuary. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

Remeasurement comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), is reflected immediately in the Consolidated Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date when the Company recognises related restructuring costs

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 render 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 Consolidated Balance Sheet date on the basis of an Actuarial valuation. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

1.14 Borrowing Costs:

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalised, net of income earned on temporary investments from such borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Consolidated Statement of Profit and Loss as expense in the year in which the same are incurred.

1.15 Segment Reporting:

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 location of its customers.

ii. The Group prepares its segment information in conformity with the accounting policies adopted for

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

preparing and presenting the consolidated financial statements.

1.16 Taxation:

i. **Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘Profit before tax‘ as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period in accordance with the provisions of the Income-tax Act, 1961.

ii. **Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax relating to items recognised in equity or OCI is recognised directly in equity or OCI and not in the Consolidated Statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

The deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that suffcient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets on a year on year basis, the deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets and liabilities and where it intends to settle such assets and liabilities on a net basis.

1.17 Provisions, Contingent Liabilities and Contingent Assets:

i. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ii. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

iii. Contingent assets are neither recognised nor disclosed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

1.18 Financial Instruments:

i. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

ii. Financial assets:

Initial recognition and measurement:

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial Assets at amortised cost
- Equity investments measured at fair value through Other Comprehensive Income (FVTOCI)

iii. Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and loss.

iv. Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However the Group may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

v. Derecognition:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

vi. Impairment of financial assets:

The Group recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade Receivables, in view of the Group’s credit policy and past history of insignificant bad debts,

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Group makes provision for doubtful debts based on specific identification. The Group will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

vii. Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other current liabilities.

viii. Subsequent measurement:

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses on changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

ix. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

x. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.19 Fair Value Measurement:

i. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

ii. The principal or the most advantageous market must be accessible by the Group. The fair value of an

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

iv. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.
- Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.

v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1.20 Cash and Cash Equivalents:

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and in hand and short-term deposits with banks with an original maturity of 3 months or less, which are subject to an insignifcant risk of changes in value.

1.21 Earnings Per Share:

i. Basic Earnings per share (EPS) is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii. Diluted EPS is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders adjusted for the effects of potential dilution of equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

C Critical accounting judgements, estimates and assumptions:

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. **Useful Lives of Property, Plant and Equipment:**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii. **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iv. **Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. **Provisions:**

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

vi. **Share-based payments:**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Property, Plant and Equipment, etc.

₹ in lakhs

	Gross Block				Depreciation, Amortisation and Impairment				Net Block	
	As at April 01, 2019	Additions/ Adjust-ments	Deductions/ Adjust-ments	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions/ Adjust-ments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment										
Freehold land	11,236.77	-	-	11,236.77	-	-	-	-	11,236.77	11,236.77
Leasehold land [Refer Note (i)]	0.09	-	-	0.09	-	-	-	-	0.09	0.09
Buildings and Jetty [Refer Note (ii)]	8,096.16	113.10	173.52	8,035.74	3,852.96	150.58	161.83	3,841.71	4,194.03	4,243.20
Plant and equipments [Refer Note (iii)]	45,822.24	1,153.82	551.27	46,424.79	28,846.98	1,174.21	471.06	29,550.13	16,874.66	16,975.26
Furniture and Fixtures	1,856.90	196.19	6.34	2,046.75	961.78	123.89	4.65	1,081.02	965.73	895.12
Vehicles	2,064.91	305.98	93.86	2,277.03	1,120.69	180.61	55.78	1,245.52	1,031.51	944.22
Office equipments	1,053.69	97.39	6.66	1,144.42	622.73	151.99	5.48	769.24	375.18	430.96
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	134.47	8.75	-	143.22	113.58	122.33
Total	70,387.56	1,866.48	831.65	71,422.39	35,539.61	1,790.03	698.80	36,630.84	34,791.55	34,847.95
Capital Work-in-Progress [Refer Note (iv)]	8,243.13	817.55	669.12	8,391.56	4,541.14	56.64	-	4,597.78	3,793.78	3,701.99
Right of Use Assets [Refer Note 34]	50.05	352.05	4.63	397.47	-	112.48	0.71	111.77	285.70	-
Other Intangible Assets Other than internally generated										
Goodwill	95.27	-	-	95.27	95.27	-	-	95.27	-	-
Computer softwares	240.78	10.03	-	250.81	227.95	9.08	-	237.03	13.78	12.83
Total	336.05	10.03	-	346.08	323.22	9.08	-	332.30	13.78	12.83
Grand Total	79,016.79	3,046.11	1,505.40	80,557.50	40,403.97	1,968.23	699.51	41,672.69	38,884.81	38,562.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc (contd.)

₹ in lakhs

	Gross Block				Depreciation, Amortisation and Impairment				Net Block
	As at April 01, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Property, Plant and Equipment									
Freehold land	11,236.77	-	-	11,236.77	-	-	-	-	11,236.77
Leasehold land [Refer Note (i)]	0.09	-	-	0.09	-	-	-	-	0.09
Buildings and Jetty [Refer Note (ii)]	7,865.61	230.55	-	8,096.16	3,708.14	144.82	-	3,852.96	4,243.20
Plant and equipments [Refer Note (iii)]	43,222.01	2,606.75	6.52	45,822.24	27,599.59	1,251.44	4.05	28,846.98	16,975.26
Furniture and Fixtures	1,643.20	219.15	5.45	1,856.90	851.87	115.12	5.21	961.78	895.12
Vehicles	2,077.15	90.48	102.72	2,064.91	1,011.06	176.60	66.97	1,120.69	944.22
Office equipments	962.53	182.62	91.46	1,053.69	578.43	131.21	86.91	622.73	430.96
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	125.02	9.45	-	134.47	122.33
Total	67,264.16	3,329.55	206.15	70,387.56	33,874.11	1,828.64	163.14	35,539.61	34,847.95
Capital Work-in-Progress [Refer Note (iv)]	8,871.14	1,435.18	2,063.19	8,243.13	4,541.14	-	-	4,541.14	3,701.99
Other Intangible Assets Other than internally generated									
Goodwill	95.27	-	-	95.27	95.27	-	-	95.27	-
Computer softwares	265.11	11.50	35.83	240.78	257.88	4.90	34.83	227.95	12.83
Total	360.38	11.50	35.83	336.05	353.15	4.90	34.83	323.22	12.83
Grand Total	76,495.68	4,776.23	2,305.17	78,966.74	38,768.40	1,833.54	197.97	40,403.97	38,562.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment, etc (contd.)

i. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.

ii. Buildings and Jetty include a Private Jetty having a gross block of ₹ 2411.45 lakhs (net block ₹ 120.57 lakhs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The present agreement is for 10 years effective from November 01, 2015 and valid upto October 31, 2025.

iii. Plant and equipments include cost of service line of ₹ 33.20 lakhs (Previous Year: ₹ 33.20 lakhs), ownership of which is vested with Paschim Gujarat Vij Company Limited.

iv. **Impairment of Assets:**

a The Company had incurred an aggregate sum of ₹ 8107.17 lakhs (Previous Year: ₹ 8107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. During the previous year, spares of the value of ₹ 215.07 lakhs were consumed resulting to closing balance of CWIP at ₹ 7892.10 lakhs.

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
b Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	**320.40**	320.40
Employee Cost	**144.56**	144.56
Interest and Finance Cost	**3,104.18**	3,104.18
Traveling and Conveyance	**227.48**	227.48
Exchange Rate Fluctuation	**42.43**	42.43
Transportation Charges	**19.96**	19.96
Miscellaneous	**59.97**	59.97
	3,918.98	3,918.98

c In the year 2005, due to several adversities, the project was suspended. However, the Company intends to install the assets at a later date, depending on market conditions. Therefore, considering utilisation of assets in future, the Expansion Project Assets have been valued by a project consultant. Based on the valuation report obtained from the project consultant, the aggregate provision for impairment as at March 31, 2020 is ₹ 4597.78 lakhs (Previous Year: ₹ 4541.14 lakhs) which includes an amount of ₹ 56.64 lakhs as additional provision for impairment for the year ended March 31, 2020.

v. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment pledged as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

				As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
3 Non-current Investments					
Investments measured at Fair Value through Other Comprehensive Income:					
In Equity Instruments of Others					
Face Value ₹ per share	**Investee company**	**No. of Shares Current Year**	No. of Shares Previous Year		
i) Quoted (Fully paid equity shares)					
10	MTZ (India) Limited	**8,70,500**	8,70,500	**0.02**	0.02
10	MTZ Polyfilms Limited	**30,00,000**	30,00,000	**0.10**	0.10
2	Bank of Baroda	**22**	-	**0.01**	-
10	Dena Bank	**-**	200	**-**	0.03
10	Gujarat Sidhee Cement Limited	**22,85,912**	22,85,912	**352.03**	530.33
10	ACC Limited	**1**	1	**0.01**	0.02
2	Ambuja Cements Limited *	**1**	1	**-**	-
10	India Cement Limited *	**1**	1	**-**	-
5	JK Lakshmi Cements Limited *	**1**	1	**-**	-
10	Mangalam Cement Limited *	**1**	1	**-**	-
10	Prism Johnson Limited (Formerly Prism Cement Limited) *	**1**	1	**-**	-
10	Shree Digvijay Cement Co. Limited *	**1**	1	**-**	-
10	Ultratech Cement Limited	**1**	1	**0.03**	0.04
10	Zuari Agro Chemicals Limited *	**1**	1	**-**	-
10	Zuari Global Limited *	**1**	1	**-**	-
				352.20	530.54
ii) Unquoted (Fully paid equity shares)					
0.1	Chennai Super Kings Cricket Limited *	**1**	-	**-**	-
50	Rajkot Nagrik Sahakari Bank Limited	**2,001**	2,001	**1.00**	1.00
10	Saraswat Co-op Bank Limited	**5,000**	5,000	**0.50**	0.50
				1.50	1.50
* Each investment is less than ₹ 0.01 lakhs				**353.70**	532.04
				353.70	532.04
Aggregate Carrying Value of:					
Quoted investments				**352.20**	530.54
Unquoted investments				**1.50**	1.50
				353.70	532.04
Aggregate Market Value of quoted investments				**352.20**	530.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
4	**Loans**		
	Considered Good - Unsecured		
	Security Deposits	**127.96**	142.24
	Staff Loans	**8.37**	8.49
		136.33	150.73
	Loan Receivables - credit impaired		
	Security Deposit for supply of Power	**224.27**	224.27
		360.60	375.00
	Less : Provision for impairment	**224.27**	224.27
		136.33	150.73

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
5	**Other Financial Assets**		
	Fixed Deposits with Bank with maturity greater than 12 months (Held as Margin Money against Guarantees)	**51.66**	105.00
		51.66	105.00

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
6	**Other Non-current Assets**		
	Capital Advances	**1,435.28**	1,059.33
	Advances other than Capital Advances		
	Taxes Paid (Net of Provision of ₹ 1,357.81 lakhs, Previous Year: ₹ Nil)	**838.20**	806.96
	Pre-deposit Balances with Statutory / Government Authorities against Appeals	**140.02**	134.33
	Prepaid Expenses	**20.88**	24.03
		2,434.38	2,024.65

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
7	**Inventories**		
	Raw Materials (includes in transit of ₹ Nil, Previous Year: ₹ 0.79 lakhs)	**584.60**	728.85
	Packing Materials	**149.54**	104.54
	Work-in-progress	**1,789.27**	484.53
	Finished Goods	**853.85**	1,019.76
	Fuels (includes in transit of ₹ 3,426.86 lakhs, Previous Year:₹ 3,367.44 lakhs)	**4,639.30**	4,023.41
	Stores and Spare Parts (includes in transit of ₹ 2.11 lakhs, Previous Year: ₹ 5.26 lakhs)	**1,949.17**	1,480.42
		9,965.73	7,841.51

The cost of inventories recognised as an expense during the year is disclosed in Notes 26 and 27.
The cost of inventories recognised as an expense includes ₹ Nil (Previous year: ₹ 26.32 lakhs) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous year.
For mode of valuation of inventories : Refer Note 1.9

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
8	**Trade Receivables**		
	Considered Good - Unsecured		
	Amounts Receivable from a related party [Refer Note 37.2(B)(ii)]	**133.24**	-
	Others	**3,301.93**	1,580.27
	Trade Receivables - credit impaired	**13.74**	14.13
		3,448.91	1,594.40
	Less : Provision for impairment	**13.74**	14.13
		3,435.17	1,580.27

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
9	**Cash and Cash Equivalents**		
	Balances with Banks		
	In Current Accounts	**33.78**	760.04
	In Fixed Deposits (Original maturity of 3 months or less) [Refer Note 31.1]	**804.30**	-
		838.08	760.04

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
10	**Bank Balances other than Cash and Cash Equivalents**		
	Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
	Held as Margin Money against Guarantees and Letter of Credit	**781.31**	900.54
	Held as Security against Overdraft facilities	**3,839.60**	5,257.04
	Others	**4,770.73**	1,125.00
		9,391.64	7,282.58
	Earmarked Balances		
	For Unpaid Dividend (Equity and Preference)	**16.83**	20.96
	For Redemption of Preference Shares	**0.35**	0.34
		17.18	21.30
		9,408.82	7,303.88

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
11	**Loans**		
	Considered Good - Unsecured		
	Staff Loans	**7.75**	11.74
		7.75	11.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
12	**Other Financial Assets**		
	Interest accrued on Fixed Deposits	**183.15**	187.14
	Others	**10.74**	3.88
		193.89	191.02

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
13	**Other Current Assets**		
	Considered Good - Unsecured		
	Advances		
	Balances with Statutory / Government Authorities	**231.88**	150.51
	Advances Against Purchase of Stores and Spares	**120.08**	93.98
	Prepaid Expenses	**40.11**	37.60
	Travelling Advance Due from a Director [Refer Note 37.2(B)(i)(c)]	**-**	6.23
	Others	**234.95**	116.87
	Non-current Asset held for Disposal	**34.59**	34.59
		661.61	439.78
	Considered Doubtful		
	Advances Against Purchase of Stores and Spares	**24.46**	24.46
		686.07	464.24
	Less : Provision for Doubtful advances	**24.46**	24.46
		661.61	439.78

		As at March 31, 2020		As at March 31, 2019	
		Numbers	₹ in lakhs	Numbers	₹ in lakhs
14	**Equity Share Capital**				
	Authorised				
	Equity Shares of ₹ 10 par value	**22,90,00,000**	**22,900.00**	19,50,00,000	19,500.00
			22,900.00		19,500.00
	Issued				
	Equity Shares of ₹ 10 par value	**6,95,33,718**	**6,953.37**	6,93,52,583	6,935.26
			6,953.37		6,935.26
	Subscribed				
	Equity Shares of ₹ 10 par value				
	Subscribed and Fully Paid Up	**6,95,18,449**	**6,951.84**	6,93,37,314	6,933.73
	Equity Shares - forfeited				
	(₹ 2 per share paid up)	**15,269**	**0.31**	15,269	0.31
			6,952.15		6,934.04

14.1 Reconciliation of the number of shares outstanding and amount of share capital

	As at March 31, 2020		As at March 31, 2019	
Equity Shares of ₹ 10 par value	Numbers	₹ in lakhs	Numbers	₹ in lakhs
At the beginning	**6,93,37,314**	**6,933.73**	6,91,91,065	6,919.11
Shares issued during the year on exercise of employee stock options	**1,81,135**	**18.11**	1,46,249	14.62
At the end	**6,95,18,449**	**6,951.84**	6,93,37,314	6,933.73

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

14.2 Rights, Preferences and Restrictions

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. The Company declares and pays dividend in Indian rupees. The final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.

iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iv. In respect of share based payments granted to employees (Employee Stock Options), refer Note 40.

14.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	Numbers	**%**	Numbers	%
Equity Shares				
Villa Trading Company Private Limited	**1,36,58,167**	**19.65%**	1,36,58,167	19.70%
Parsec Enterprises Private Limited	**1,35,38,370**	**19.47%**	1,35,38,370	19.53%
Samja Mauritius Limited	**1,71,75,000**	**24.71%**	1,71,75,000	24.77%

14.4 Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year

	As at March 31, 2020		As at March 31, 2019	
Particulars	**Numbers**	**₹ in lakhs**	Numbers	₹ in lakhs
Equity Shares reserved for issue under Employee Stock Options	**12,07,854**	**120.79**	14,49,527	144.95

14.5 The Board of Directors at its meeting held on November 14, 2019 declared first interim dividend of ₹ 0.75 per equity share of the face value of ₹ 10 each for the year ended March 31, 2020. Further, the Board of Directors at its meeting held on February 14, 2020 declared second interim dividend of ₹ 1 per equity share of the face value of ₹ 10 each for the year ended March 31, 2020.

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
15 Other Equity		
i. Share Application Money pending allotment	**4.95**	1.61
ii. Reserves and Surplus		
a. Capital Reserve	**2,712.70**	2,712.70
b. Capital Redemption Reserve	**737.60**	737.60
c. Securities Premium Account		
Balance as at the beginning of the year	**10,677.20**	10,566.71
Add: Exercise of Employee Stock Options	**136.85**	110.49
	10,814.05	10,677.20
d. Share Options Outstanding		
Balance as at the beginning of the year	**692.50**	106.71
Add: Share based payments to employees	**297.30**	703.91
Less: Employee Stock Options Exercised	**(136.85)**	(110.49)
Less: Employee Stock Options Lapsed	**(8.51)**	(7.63)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
		844.44	692.50
e.	**General Reserve**	**5,786.29**	5,786.29
f.	**Retained Earnings**		
	Balance as at the beginning of the year	**16,456.28**	17,817.15
	Add/(Less): Profit / (Loss) transferred from the Consolidated Statement of Profit and Loss	**5,650.58**	(492.12)
	Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	**(52.81)**	(34.62)
	Less:Appropriations		
	Dividend on Equity Shares (Refer Note 14.5)	**1,216.29**	691.91
	Dividend Distribution Tax	**250.01**	142.22
		20,587.75	16,456.28
iii.	**Equity Instruments through Other Comprehensive Income**		
	Balance as at the beginning of the year	**(3,171.12)**	(3,088.81)
	Add/(Less): Effect of measuring Equity Instruments on Fair Value	**(178.33)**	(82.31)
		(3,349.45)	(3,171.12)
		38,138.33	33,893.06

The description of the nature and purpose of each reserve within equity is as follows :

a. **Share application money pending allotment**

It represents share application money received from employees on exercise of stock options for which allotment of 49,535 equity shares (Previous Year: 16,097 equity shares) is pending as at the year end.

b. **Capital Reserve**

It represents reserve created on capital receipt.

c. **Capital Redemption Reserve**

This reserve was created on redemption of Preference Shares by transfer from General Reserve.

d. **Securities Premium**

It represents the amount of premium over face value on shares issued.

e. **Share Options Outstanding**

The Company has Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017) under which options to subscribe for the Company's shares have been granted to the senior management and executives from middle management. This reserve is used to recognise the value of equity settled share-based payments provided to option grantees. Refer Note 40 for further details of the plan.

f. **General Reserve**

The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. General reserve is a free reserve available to the Company.

g. **Retained Earnings**

Retained Earnings are the profits that the Group has earned, net of amount distributed as dividends and including adjustments on account of transition to Ind AS.

h. **Equity Instruments through Other Comprehensive Income**

This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	**570.30**	346.60	**253.77**	157.16
From Others	**49.99**	55.15	**61.93**	52.44
	620.29	401.75	**315.70**	209.60

* Amount disclosed under the head 'Other Financial Liabilities' (Note 21).

16.1 Security and Repayment Terms:

Term Loans are repayable in 36 to 60 equated monthly instalments carrying varied interest from 8% to 10% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	**994.28**	967.51
Compensated absences	**292.34**	272.55
	1,286.62	1,240.06

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
18 Deferred Tax (Assets) / Liabilities (net)		
Deferred Tax Assets		
i. Provision for Impairment	**1,606.65**	1,586.85
ii. Provision for expenses allowable on cash basis	**931.02**	896.93
iii. Provision for Gratuity & Leave encashment	**557.42**	534.10
iv. Unused tax losses - Unabsorbed Depreciation	**-**	436.84
v. MAT Credit Entitlement	**2,569.23**	2,848.04
vi. Lease Liabilities	**112.03**	-
vii. Others	**17.80**	13.48
Total	**5,794.15**	6,316.24
Deferred Tax Liabilities		
i. Property, Plant and Equipment and Other Intangible Assets	**6,198.12**	6,127.81
ii. Right of Use Assets	**99.84**	-
Total	**6,297.96**	6,127.81
	503.81	(188.43)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
19	**Short-term Borrowings**		
	Secured		
	Loans Repayable on Demand from Banks		
	Cash Credits *	**-**	-
	Overdraft against lien of Bank Fixed Deposits	**1,833.47**	2,597.02
		1,833.47	2,597.02

19.1 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 movable properties, both, present and future. They are also secured by second mortgage and charge on the Company's immovable and movable properties, both, present and future, hypothecation of "Hathi" Brand, pledge of promoter shares and personal guarantee of two Directors of the Company.

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
20	**Trade Payables**		
	Due to Related Party [Refer Note 37.2(B)(ii)]	**-**	65.28
	Due to Micro and Small enterprises	**59.46**	93.68
	Due to Others	**5,401.32**	6,187.28
		5,460.78	6,346.24
20.1	Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :		
	i. Principal amount remaining unpaid	**59.46**	93.68
	ii. Interest accrued on the above amount and remaining unpaid	**-**	-
	iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	**-**	-
	iv. Interest paid in terms of Section 16	**-**	-
	v. Interest due and payable for payments already made	**-**	-
	vi. Interest accrued and remaining unpaid	**-**	-
	vii. Amount of further interest remaining due and payable even in succeeding years	**-**	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the Group regarding the status of suppliers under the MSME.

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
21	**Other Financial Liabilities**		
	Current Maturities of Long-term borrowings		
	Term Loans		
	From Banks	**253.77**	157.16
	From Others	**61.93**	52.44
		315.70	209.60
	Unpaid Dividends	**16.20**	20.96
	Amounts Payable on Redemption of Preference Shares	**0.35**	0.35
	Security Deposits from Customers / Transporters	**1,008.45**	1,042.89
	Remuneration Payable to Key Managerial Personnel [Refer Note 37.2(B)(i)(a&b)]	**35.73**	38.30
	Liabilities for Expenses at the year-end	**2,600.86**	638.28
	Others	**42.16**	21.45
		4,019.45	1,971.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
22	**Other Current Liabilities**		
	Statutory Dues	**3,557.72**	3,660.71
	Advances from Customers	**2,499.60**	1,430.49
	Advance against sale of Non-current Asset held for Disposal	**25.00**	25.00
	Unearned Revenue	**782.92**	788.51
	Others	**89.73**	114.76
		6,954.97	6,019.47

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
23	**Provisions**		
	For Employee Benefits (Refer Note 35)		
	Gratuity	**127.10**	127.20
	Compensated absences	**181.46**	161.19
		308.56	288.39

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
24	**Revenue from Operations**		
	Sale of Products	**60,224.00**	61,187.45
	Other Operating Revenue	**594.36**	982.58
		60,818.36	62,170.03
24.1	**Revenue from Contracts with Customers**		
A	**Revenue from contracts with customers disaggregated based on nature of products or services**		
	i Revenue from Sale of Products		
	Cement	**59,596.80**	59,923.45
	Clinker	**627.20**	1,264.00
		60,224.00	61,187.45
	ii. Other Operating Revenue		
	AFR Processing Income	**374.96**	50.99
	Sale of Power	**27.58**	412.33
	Sale of Scrap	**173.10**	491.22
	Export Entitlements	**18.72**	28.04
		594.36	982.58
		60,818.36	62,170.03
B	**Revenue from contracts with customers disaggregated based on geography**		
	i. Domestic	**58,935.12**	59,335.92
	ii. Export	**1,883.24**	2,834.11
		60,818.36	62,170.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
24.2	**Reconciliation of contract price with Revenue from Operations**		
	Contract price	**61,547.19**	62,913.05
	Add: Reversal of Unearned Revenue of earlier years	**324.01**	-
		61,871.20	62,913.05
	Less:		
	Discounts and Rate differences	**1,342.24**	1,360.86
	Customer loyalty programme	**19.05**	16.36
	Incentives and Schemes	**285.91**	348.38
	Revenue from sale of products	**60,224.00**	61,187.45
	Add: Other Operating Revenue	**594.36**	982.58
	Revenue from Operations	**60,818.36**	62,170.03

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
25	**Other Income**		
	Interest Income on		
	Fixed Deposits with Banks	**508.20**	512.88
	Financial Assets measured at amortised cost	**3.16**	2.57
	Others	**4.38**	5.10
		515.74	520.55
	Dividend Income from Non-current Investments	**22.33**	0.08
	Miscellaneous Income	**222.12**	124.67
	Net Gain on Foreign Currency Transactions and Translation	**-**	17.37
	Insurance Claims	**3.34**	22.99
	Bad Debts Recovered	**0.50**	1.23
	Provision for Doubtful Debts Written Back	**-**	1.45
	Excess Provision Written Back	**1.62**	82.40
	Trade / Other Payables Written Back	**74.97**	67.29
		840.62	838.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
26	**Cost of Materials Consumed**		
	Raw Materials		
	Opening Stock	**728.85**	1,188.64
	Add: Purchases	**1,269.16**	3,907.10
		1,998.01	5,095.74
	Less: Closing Stock	**584.60**	728.85
		1,413.41	4,366.89
	Royalty, Cess and Raw Material Handling Charges		
	Limestone and Other Materials Handling Charges	**681.43**	638.62
	Limestone / Marl Raising Charges	**728.52**	621.08
	Royalty and Cess	**1,808.88**	1,797.75
		3,218.83	3,057.45
	Packing Materials		
	Opening Stock	**104.54**	109.90
	Add: Purchases	**1,520.04**	1,912.73
		1,624.58	2,022.63
	Less: Closing Stock	**149.54**	104.54
		1,475.04	1,918.09
		6,107.28	9,342.43

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
27	**Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress**		
	Stocks at the end		
	Finished Goods - Cement	**853.85**	1,019.76
	Work-in-progress - Raw Flour and Clinker	**1,789.27**	484.53
		2,643.12	1,504.29
	Less: Stocks at the Beginning		
	Finished Goods - Cement	**1,019.76**	862.54
	Work-in-progress - Raw Flour and Clinker	**484.53**	349.07
		1,504.29	1,211.61
		(1,138.83)	(292.68)

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
28	**Employee Benefits Expense**		
	[Refer Note 30.1(a)]		
	Salaries, Wages and Bonus	**3,723.08**	3,753.44
	Share based payments to employees (Refer Note 40)	**288.79**	696.28
	Contribution to Provident and Other Funds	**247.19**	241.80
	Gratuity Expense	**122.00**	119.79
	Staff Welfare Expenses	**143.77**	128.52
		4,524.83	4,939.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
29 Finance Costs		
Interest expense		
On Borrowings	**190.33**	256.94
On Duties and Taxes	**127.25**	92.82
On Others	**128.64**	123.95
	446.22	473.71
Other Borrowing Costs	**1.29**	0.62
	447.51	474.33

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
30 Other Expenses		
Stores and Spare Parts Consumed	**2,675.58**	3,695.13
Power and Fuel	**16,559.41**	21,111.64
Rent (Refer Note 34)	**141.63**	246.12
Repairs and Maintenance:		
Buildings	**209.54**	450.71
Machinery	**1,553.23**	2,238.42
Others	**690.20**	708.68
	2,452.97	3,397.81
Insurance	**132.55**	103.80
Rates and Taxes	**68.73**	82.97
Advertisement and Business Promotion Expenses	**1,522.37**	1,223.18
Freight and Handling Expenses	**12,740.25**	13,719.69
Cement Packing Expenses	**644.02**	700.63
Commission	**936.39**	1,025.75
Directors' Fees	**54.95**	33.80
Charity and Donation [Refer Note 30.1(b)]	**217.12**	12.33
Traveling and Conveyance	**520.52**	464.15
Legal and Professional Charges	**447.64**	491.36
Auditor's Remuneration		
Audit Fees	**11.10**	11.10
Tax Audit Fees	**3.30**	3.00
For Other Services - Certification Work	**5.70**	4.30
	20.10	18.40
Bad Debts written off	**0.39**	-
Less: Provision for Doubtful Debts Written Back	**(0.39)**	-
	-	-
Net Loss on Foreign Currency Transactions and Translation	**74.52**	-
Loss on Sale / Discard of Property, Plant and Equipment (Net)	**48.07**	13.22
Corporate Social Responsibility (CSR) Expenditure (Refer Note 33)	**40.67**	81.93
Miscellaneous Expenses	**1,129.85**	1,334.21
Cost of Cement Self Consumed	**(11.29)**	(47.92)
	40,416.05	47,708.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
30.1	a. Employee Benefit Expense (Note 28) and Other Expenses (Note 30) as incurred on cost of raising and transporting limestone / marl are as under:		
	Salaries, Wages and Bonus	**131.90**	130.74
	Stores and Spare Parts Consumed	**364.34**	418.41
	Repairs and Maintenance to Machinery	**94.41**	82.42
	Raw Material Handling Charges	**417.97**	460.41
	Limestone / Marl Raising Charges	**728.52**	621.08
	Royalty and Cess	**1,808.88**	1,797.75
		3,546.02	3,510.81

b. Charity and Donation include donation of ₹ 200 lakhs (Previous Year: ₹ Nil) given to political parties.

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
31	**Exceptional Items**		
	Profit on sale of land	**-**	319.72
	Provision for Right of Recompense (Refer Note 31.1)	**(1,600.00)**	-
		(1,600.00)	319.72

31.1 In the year 2005, the Company's debt was restructured under Corporate Debt Restructuring (CDR) and the restructured debt including Funded Interest Term Loan (FITL) was fully repaid in the earlier years. One of the conditions of the restructuring was that the Lenders would have a Right of Recompense (ROR) in respect of the interest concessions given by the Lenders at the time of restructuring. Subsequently, a Rehabilitation Scheme was sanctioned by the Hon'ble BIFR in 2012, which did not envisage payment of recompense amount. The Company therefore informed the Lenders that ROR is not payable pursuant to the BIFR Scheme which override the previous schemes. The matter remained pending for long and in the interim period, SICA was repealed. The company filed an application before the NCLT Ahmedabad seeking directions to the Lenders that Recompense is not payable and for release of securities. NCLT advised the parties to try and settle the matter amicably. Accordingly, the Lenders after deliberations at Joint Lenders Meetings, agreed in principle to the Company's offer for an aggregate amount of ₹ 16 crores to be distributed among all the Lenders and recommend to their respective competent authorities for acceptance. While, erstwhile Dena Bank now merged into Bank of Baroda (BOB), the monitoring institution of CDR, having more than 50% stake in the Recompense amount has approved the proposal vide its letter no CFSBAL/ADV/RM_1/2019-20/127 dated February 07, 2020, the acceptance from other lenders got delayed due to COVID-19 pandemic. The Company has deposited ₹ 8 crores with BOB on February 10, 2020 as per the agreed terms. Since the matter has reached finality, the company has made provision of ₹ 16 crores in its accounts for the year ended March 31, 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
32	**Contingent Liabilities and Commitments**		
	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 / VAT	**3.41**	2.09
	ii. Excise Duty	**1,360.41**	1,370.44
	iii. Goods and Services Tax	**0.74**	0.74
	iv. Royalty	**15.12**	15.12
	v. Customs Duty	**50.00**	50.00
	vi. Claims filed by workmen or their union against the Company	**2.07**	1.99
	vii. On account of Power Supply	**525.13**	440.99
	viii. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
	ix. Other demands and claims	**42.27**	44.66

Notes:

i. The Company does not expect any reimbursement in respect of the above contingent liabilities.

ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.

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

	ii. Commitments:		
	a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 1,435.28 lakhs, Previous Year: ₹ 1,059.33 lakhs) and not provided for.	**1,920.33**	1,413.21
	b. Other Commitments	**-**	-

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
33	**Corporate Social Responsibility (CSR)**		
	Gross amount required to be spent by the Company during the year	**36.50**	81.95
	Amount spent and paid on CSR activities included in the Consolidated Statement of Profit and Loss for the year :		
	Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
	Rural Development	**2.00**	14.16
	Promoting Preventive Health Care, Environment and Sanitation	**4.45**	4.17
	Education Promotion	**34.22**	63.60
		40.67	81.93

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34 Ind AS 116 on "Leases"

34.1 Transition to Ind AS 116:

The Group has adopted Ind AS 116 on "Leases" with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Group has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of ₹ 50.05 lakhs and corresponding lease liability of ₹ 50.05 lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Group has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

34.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

₹ in lakhs

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2019	50.05	-	50.05
Additions	352.05	112.48	239.57
Deletions	4.63	0.71	3.92
Balance as at March 31, 2020	397.47	111.77	285.70

The aggregate depreciation expense amounting to ₹ 112.48 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Consolidated Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	₹ in lakhs
Current lease liabilities	131.05
Non current lease liabilities	162.45
	293.50

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	₹ in lakhs
Balance as at April 01, 2019	50.05
Additions	346.93
Finance cost accrued	21.47
Deletions	3.98
Payment of lease liabilities	120.97
Balance as at March 31, 2020	293.50

The aggregate interest expense amounting to ₹ 21.47 lakhs on Lease Liabilities is included under Finance Costs (Interest expenses - Others) in the Statement of Profit and Loss.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	₹ in lakhs
Less than one year	148.96
One to five years	171.65
More than five years	-
	320.61

Rental expense for short-term leases recognised in the Consolidated Statement of Profit and Loss was ₹ 73.22 lakhs for the year ended March 31, 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

35 Employee benefits

As per Ind AS - 19 - "Employee Benefits", the disclosures of Employee Benefits is given as below:-

35.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 247.19 lakhs (Previous Year: ₹ 241.80 lakhs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 28)

35.2 Defined Benefit Plan: Gratuity

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the Defined Benefit Plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary Definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	60 years

35.3 The fund is a trust and it is governed by the Board of Trustees. Present strength of trustees is five. The trustees are responsible for the governance of the plan. The day-to-day administration of the scheme is carried out by the trustees. It is the trustee's duty to look after assets on behalf of employees who are entitled to benefit from those assets at future date. Investment of assets of fund is key responsibility of the trustees.

35.4 Risk to the Plan

i. Actuarial Risk:

The plan is subject to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employee in future.

ii. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

iii. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
35.5	i. **Changes in Present Value of Obligations:**		
	Present Value of Obligation at the beginning	**1,105.57**	1,035.97
	Current Service Cost	**40.23**	39.94
	Past Service Cost	**-**	-
	Interest Cost	**82.58**	81.01
	Actuarial (Gain) / Loss due to:		
	- Change in Financial Assumptions	**60.66**	14.71
	- Change in Demographic Assumptions	**(3.48)**	-
	- Experience Changes	**23.51**	37.95
	Benefits paid	**(176.51)**	(104.01)
	Present Value of Obligation as at the end	**1,132.56**	1,105.57
	ii. **Changes in Fair Value of Plan Assets:**		
	Fair value of Plan Assets at the beginning	**10.86**	14.85
	Expected return on Plan Assets	**0.81**	1.16
	Contributions by the employer	**176.51**	99.42
	Benefits paid	**(176.51)**	(104.01)
	Return on plan assets excluding amounts included in interest income	**(0.49)**	(0.56)
	Fair value of Plan Assets as at the end	**11.18**	10.86
	iii. **The amount recognised in Consolidated Balance Sheet**		
	Gross value of Present Obligation at the end	**1,132.56**	1,105.57
	Fair Value of Plan Assets at the end	**11.18**	10.86
	Net Liability / (Asset) recognised in Consolidated Balance Sheet	**1,121.38**	1,094.71
	iv. **Amount recognised in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	**40.23**	39.94
	Past Service Cost	**-**	-
	Interest Cost	**82.58**	81.01
	Expected return on Plan Assets	**(0.81)**	(1.16)
	Expenses Recognised in the Consolidated Statement of Profit and Loss	**122.00**	119.79
	v. **Amount recognised in Other Comprehensive Income**		
	Components of Actuarial (Gain) / Loss:		
	- Change in Financial Assumptions	**60.66**	14.71
	- Change in Demographic Assumptions	**(3.48)**	-
	- Experience Changes	**23.51**	37.95
	- Return on plan assets excluding amounts included in interest income	**0.49**	0.56
	Amount recognised in Other Comprehensive Income	**81.18**	53.22
	vi. **Category of Assets**		
	Insurer Managed Funds	**11.18**	10.86
	vii. **Maturity Profile of the Defined Benefit Obligation**		
	1st Following Year (Within next 12 months)	**276.20**	234.12
	2nd Following Year	**98.48**	114.43
	3rd Following Year	**141.56**	172.95
	4th Following Year	**173.97**	134.16
	5th Following Year	**114.23**	169.29
	Sum of Years 6 to 10	**422.57**	442.31
	Sum of Years 11 and above	**302.68**	329.57

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
viii. **Sensitivity Analysis for significant assumptions ***		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	**(43.30)**	(40.81)
1% decrease in discount rate	**47.95**	44.80
1% increase in salary escalation rate	**46.32**	43.56
1% decrease in salary escalation rate	**(42.55)**	(40.33)
1% increase in employee turnover rate	**2.74**	5.98
1% decrease in employee turnover rate	**(3.01)**	(6.52)
ix. **Assumptions**		
Mortality Table - Indian Assured Life Mortality 2006-08		
Discount Rate	**6.04%**	7.47%
Rate of increase in compensation levels	**5.00%**	5.00%
Expected Return on Plan Assets	**6.04%**	7.47%
Attrition Rate		
- For service 4 years and below	**15.00%**	Uniform
- For service 5 years and above	**2.00%**	Rate of 2%
x. Weighted average duration of Defined Benefit Obligation	**5 years**	5 years

xi. 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.

xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

xiii. **Asset Liability matching strategy**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity.

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Consolidated Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 Segment Reporting

The Company is engaged primarily into manufacturing of Cement. The Group has only one business segment as identified by the Manangement which includes mainly Cement and Clinker. Segments have been identified taking into account nature of product and differential risk and return of the segment. The business segments are reviewed by the Managing Director of the Group (CODM).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37 Related Party Disclosures

37.1 List of related parties:

i. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital:

a. Fawn Trading Co. Private Limited
b. Fern Trading Co. Private Limited
c. Willow Trading Co. Private Limited
d. Tejashree Trading Co. Private Limited
e. Pallor Trading Co. Private Limited
f. The Mehta International Limited
g. Mehta Private Limited
h. Sameta Exports Private Limited
i. Sunnidhi Trading Private Limited
j. Sumaraj Holdings Private Limited
k. Arj Investments Limited
l. Samja Mauritius Limited
m. Villa Trading Company Private Limited
n. Galaxy Technologies Private Limited
o. The Sea Island Investments Limited
p. Parsec Enterprises Private Limited
q. Bhadra Textiles and Trading Private Limited
r. Omna Enterprises LLP

ii. Key Management Personnel:

a. Mr. M. N. Mehta - Chairman
b. Mr. Jay Mehta - Executive Vice Chairman
c. Mr. M. S. Gilotra - Managing Director
d. Mr. Hemang D. Mehta - Non-Executive Director
e. Mr. Hemnabh R. Khatau - Non-Executive Director
f. Mr. S. V. S. Raghavan - Independent Director *
g. Mr. M. N. Rao - Independent Director
h. Mr. B. P. Deshmukh - Independent Director
i. Mr. K. N. Bhandari - Independent Director
j. Mr. Jayant N. Godbole - Independent Director
k. Mr. Bimal R. Thakkar - Independent Director
l. Mr. Ashwani Kumar - Independent Director
m. Mrs. Bhagyam Ramani - Independent Director
* Ceased to be director w.e.f. 26.05.2019

iii. Enterprise having Key Management Personnel in common:
Gujarat Sidhee Cement Limited

37.2 Transactions and Balances with related parties:

A Transactions with related parties:

		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
i.	**Compensation paid to Key Management Personnel *:** (Short-term employee benefits)		
	a. Mr. Jay Mehta **	**404.62**	297.89
	b. Mr. M. S. Gilotra ***	**343.41**	259.56
	* As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.		
	** includes Commission of ₹ 104.72 lakhs, Previous Year: ₹ Nil		
	*** includes Commission of ₹ 69.82 lakhs, Previous Year: ₹ Nil		
ii.	**Transactions with Key Management Personnel:**		
	a. Directors sitting fees	**54.95**	33.80
	b. Dividend on Equity Shares	**1.66**	0.95
iii.	**Transactions with relatives of Key Management Personnel:**		
	Dividend on Equity Shares	**61.97**	37.21
v.	**Transactions with Gujarat Sidhee Cement Limited**		
	a. Purchase of goods and materials	**58.77**	1,868.62
	b. Expenses / (Recovery) for services (net)	**(154.41)**	(76.12)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
B Outstanding Balances as at the year-end		
i. Balances with Key Management Personnel:		
a. Remuneration payable to Mr. M S Gilotra	**14.16**	16.23
b. Remuneration payable to Mr. Jay M Mehta	**21.57**	22.07
c. Travelling Advance to Mr. Jay M Mehta	**-**	6.23
iii. Balance with Gujarat Sidhee Cement Limited		
Amount payable / (receivable)	**(133.24)**	65.28

C Terms and conditions of transactions and balances with related parties

i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

iii. There have been no guarantees provided or received for any related party transaction.

iv. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

38 Capital Management:

The primary objective of Group's Capital Management is to maximize shareholder value without having any adverse impact on interests of other stakeholders. At the same time, the Group strives to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's Capital Management, debt includes borrowings and current maturities of long term debt and equity includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Group.

The Group monitors capital using Debt to Equity ratio, which is total debt divided by total equity. Debt to Equity ratio are as follows :

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Total Debt (A)	**2,769.46**	3,208.37
Total Equity (B)	**45,090.48**	40,827.10
Debts Equity Ratio (A/B)	**0.06**	0.08

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
39 Income Tax expense		
39.1 Income tax expense recognised in the Consolidated Statement of Profit & Loss:		
i Current Income Tax		
In respect of current year	**1,357.81**	-
Adjustments in respect of tax of earlier years	**4.92**	20.32
Total current income tax	**1,362.73**	20.32
ii Deferred Tax		
In respect of current year origination and reversal of temporary difference	**441.80**	(223.75)
In respect of utilisation of B/f MAT credit	**278.80**	-
In respect of MAT credit entitlement of earlier years	**-**	17.68
Total Deferred Tax	**720.60**	(206.07)
Income Tax expense	**2,083.33**	(185.62)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

39.2	**Income tax charge / (credit) recognised in Other Comprehensive Income:**		
	Deferred Tax		
	In respect of remeasurement gain (loss) of defined benefit plan	**(28.37)**	(18.60)
39.3	**Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:**		
	Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	**(28.37)**	(18.60)
		For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
39.4	**Reconciliation of Income Tax Expense with the accounting profit multiplied by Group's tax rate**		
	Accounting profit / (loss) before tax	**7,733.91**	(677.87)
	Applicable Tax Rate *	**34.944%**	34.944%
	Computed Tax Expense	**2,702.54**	(236.87)
	Effect of non deductible items	**277.93**	144.77
	Effect of deductible items	**(187.50)**	(345.02)
	Effect of exempt income	**(7.78)**	-
	Effect of Brought forward unused tax losses	**(434.98)**	-
	Effect of deductions under Chapter VI-A	**(715.86)**	-
	Effect of unused tax losses	**2.26**	437.12
	Adjustment of income tax of earlier year	**4.92**	20.32
	Adjustment of MAT Credit entitlement of earlier years	**-**	17.68
	Deferred tax adjustment	**441.80**	(223.75)
	Tax Expenses recognised in Consolidated Statement of Profit and Loss	**2,083.33**	(185.75)
	Effective Tax Rate	**26.94%**	27.40%

* The tax rate used for reconciliation is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

0 Share Based Payments

40.1 Saurashtra Employee Stock Option Scheme 2017

In the Annual General Meeting held on July 26, 2017, shareholders of the company approved Saurashtra Employee Stock Option Scheme 2017 (ESOS 2017). The Nomination and Remuneration Committee at its meeting held on February 08, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the company as also to retain them. Each option carries the right to the holder to apply for one equity share of the company at par. The salient features of the Scheme are as below:

Particulars	Details
No. of Options	16,33,253
Date of Grant	February 08, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	75.31
Method of Settlement	Equity

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2020 Nos	Weighted average exercise price per option (₹)	As at March 31, 2019 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	**14,49,527**	**10**	16,33,253	10
Granted during the year	**-**	**-**	-	-
Exercised during the year	**2,14,573**	**10**	1,62,346	10
Forfeited / lapsed during the year	**27,100**	**10**	21,380	10
Outstanding at the end of the year	**12,07,854**	**10**	14,49,527	10
Options exercisable at the end of the year	**6,96,017**	**10**	4,09,309	10

The weighted average share price during the period of exercise of options was ₹ 44.19 per share, Previous Year: ₹ 44.88. Weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 2 years and 9 months (Previous Year: 3 years and 5 months)

40.3 Fair Valuation

No options were granted during the year. The fair valuation of option granted during FY 2017-18 have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

i. Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)

ii. Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)

iii. Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)

iv. Dividend Yield : 1.15%

* Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Consolidated Statement of Profit and Loss is ₹ 288.79 lakhs (Previous Year: ₹ 696.28 lakhs).

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note No.	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	**8**	**3,435.17**	1,580.27
Loans	**4 and 11**	**144.08**	162.47
Cash and Bank Balances	**9 and 10**	**10,246.90**	8,063.92
Other Financial Assets	**5 and 12**	**245.55**	296.02
Financial Assets at fair value through Other Comprehensive Income:			
Investments	**3**	**353.70**	532.04
Total		**14,425.40**	10,634.72
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	**16**	**620.29**	401.75
Overdraft against lien of Bank Fixed Deposits	**19**	**1,833.47**	2,597.02
Trade payables	**20**	**5,460.78**	6,346.24
Lease Liabilities	**34**	**293.50**	
Other Financial Liabilities	**21**	**4,019.45**	1,971.83
Total		**12,227.49**	11,316.84

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The fair value of Bank Deposits with more than 12 months maturities & earmarked balances and fair value of borrowed funds approximate carrying value as the interest rate of the said instruments are at the prevailing market rate of interest.

The carrying amount of financial assets and financial liabilities (other than borrowed funds) measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

41.2 Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. Receivables are evaluated by the Group based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.

ii. The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.

iii. The fair values of quoted equity instruments are derived from quoted market prices in active markets.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	**352.20**	530.54
Investments - Level 2	**1.50**	1.50
Total	**353.70**	532.04

There is no transfer between Level 1 and Level 2 during the year.

41.3 Financial Risk Management Framework:

Company: Saurashtra Cement Limited

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The sources of risks which the company is exposed to and their management is given below:

Risk	**Exposure Arising From**	**Measurement**	**Management**
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credt worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction, Financial asset and Liabilities not denominated in INR	There are no major foreign exchange transactions	Foreign exchange transaction are in the nature of current payment and effected at current exchange rate.
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, foreign exchange risk and commodity price risk in a fluctuating market environment. Financial instrument affected by market risks includes foreign currency receivables and payables.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Trade Advances		
GBP	**1.54**	20.02
SGD	**-**	5.45

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates only to the overdraft facility availed in INR against fixed deposits. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft facility against same to meet temporary fund requirement. The interest rate on overdraft facility is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated.

Interest rate exposure:

There is no significant interest rate risk as overdraft facility against fixed deposits have fixed margin over the interest rates of fixed deposits.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

Export sales is mainly against advance payment or letter of credit.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as on March 31, 2020 is ₹ 3,448.91 lakhs, Previous Year: ₹ 1,594.40 lakhs.

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification. This is further substantiated by the fact that entire bad debt written off during the current year was fully provided for in earlier years and no bad debt has been written of during the previous year. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	**As at March 31, 2020 ₹ in lakhs**	As at March 31, 2019 ₹ in lakhs
Opening Provision	**14.13**	15.58
Add: Provided during the year	**-**	-
Less: Utilised / written back during the year	**0.39**	1.45
Closing Provision	**13.74**	14.13

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

Subsidiary: Agrima Consultants International Ltd

The Company's source of revenue is rental income which is not exposed to any kind of the market risk or credit risk since the same is derived from its Holding Company and one other company in which Key Management Personnel of Holding Company is common.

Group

Liquidity Risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

As at March 31, 2020	**Less than 1 year / On demand**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings (including current maturities of long-term debts)	**2,149.17**	**620.29**	**-**	**2,769.46**
Trade payables	**5,460.78**	**-**	**-**	**5,460.78**
Lease Liabilities	**148.96**	**171.65**	**-**	**320.61**
Other financial liabilities	**3,703.75**	**-**	**-**	**3,703.75**
As at March 31, 2019	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	2,806.62	401.75	-	3,208.37
Trade payables	6,346.24	-	-	6,346.24
Other financial liabilities	1,762.23	-	-	1,762.23

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42 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2020:

Name of the entity in the Group	Net Assets, *i.e.*, total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	₹ in lakhs	As % of Consolidated Profit Or (Loss)	₹ in lakhs	As % of Consolidated OCI	₹ in lakhs	As % of Consolidated TCI	₹ in lakhs
1	2	3	4	5	6	7	8	9
Parent :								
Saurashtra Cement Limited	99.92%	45,053.61	100.17%	5,659.93	100.00%	(231.14)	100.17%	5,428.79
Subsidiary (Indian):								
1 Agrima Consultants International Limited	0.08%	36.87	-0.17%	(9.35)	-	-	-0.17%	(9.35)
Non controlling interest	-	-	-	-	-	-	-	-
Total	100.00%	45,090.48	100.00%	5,650.58	100.00%	(231.14)	100.00%	5,419.44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

43 The Board of Directors of the Company have approved a proposal for amalgamation of a promoter company, Parsec Enterprises Pvt. Ltd. (PEPL) with the Company. The appointed date for the Scheme is April 1, 2020 and the Amalgamation Scheme will be effective from the last date on which the order approving the NCLT scheme is filed by PEPL or the company with the ROC.

On approval of the Scheme by the concerned authorities, the shares of the Company held by PEPL will be cancelled and equivalent number of new shares of the Company will be issued to the shareholders of PEPL in proportion to their holding in PEPL.

44 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be from short to medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

	For the Year ended March 31, 2020 ₹ in lakhs	For the Year ended March 31, 2019 ₹ in lakhs
45 Earnings Per Share		
Basic earnings per share		
Net Profit / (Loss) for the year	**5,650.58**	(492.12)
Weighted average number of equity shares outstanding	**6,94,39,368**	6,91,93,870
Basic earnings per share (in ₹)	**8.14**	(0.71)
Diluted earnings per share		
Net Profit / (Loss) for the year	**5,650.58**	(492.12)
Weighted average number of equity shares outstanding	**6,94,39,368**	6,91,93,870
Add: Weighted average number of potential equity shares on account of outstanding Employee Stock Options	**3,87,406**	*
Weighted average number of equity shares outstanding for diluted EPS	**6,98,26,774**	6,91,93,870
Diluted earnings per share (in ₹)	**8.09**	(0.71)

*As the Group has incurred loss during the previous year, dilutive effect of potential equity shares on account of 14,49,527 Employee Stock Options Outstanding would have an anti-dilutive impact on weighted average number of shares and hence, not considered.

46 Previous year figures have been recasted / restated where necessary.

As per our Report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136

Kaushik C Patel
Partner
Membership No. 30083
Ahmedabad, Dated May 18, 2020

For and on Behalf of the Board of Directors
Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020

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 subsidiary

(₹ in Lakhs)

Sl. No.	**1**
Name of the Subsidiary Company	**Agrima Consultants International Limited**
Share Capital	40.41
Reserves & surplus	(161.84)
Total Assets	38.83
Total Liabilities	160.26
Investments	0.25
Turnover	24.73
Profit / (Loss) before taxation	(10.40)
Provision for taxation	-
Profit / (Loss) after taxation	(10.40)
Proposed Dividend	-
% of shareholding	100%

For and on Behalf of the Board of Directors

Jay M. Mehta Executive Vice-Chairman
M. N. Rao Director
M. S. Gilotra Managing Director
Rakesh Mehta Chief Financial Officer
Sonali Sanas Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 18, 2020