Gujarat Sidhee 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 sidhee-mum@mehtagroup.com
CIN : L26940GJ1973PLC002245

Date: August 29, 2019

BOMBAY STOCK EXCHANGE LIMITED Corporate Relationship Manager, Dalal Street, Fort, Mumbai – 400 051. **Stock Code No. 518029**	NATIONAL STOCK EXCHANGE OF INDIA LTD Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051. **Stock Code No. GSCLCEMENT**

Dear Sir/ Madam,

Sub: Submission of Annual Report of the Company for the Financial Year 2018-19

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2018-19 as approved and adopted by the Members at the 45th Annual General Meeting of the Company held on Thursday, August 22, 2019.

Thanking you,

Yours faithfully,

For GUJARAT SIDHEE CEMENT LIMITED.

V. R. MOHNOT
CFO & COMPANY SECRETRY
Encl: as above

THE MEHTA GROUP

Regd. Office & Works
Sidheegram, Veraval 362 276
Gujarat, India

Sidhee CEMENT

Gujarat Sidhee Cement Limited

ANNUAL REPORT 2018-19

GENERAL INFORMATION

BOARD OF DIRECTORS

Mr. M. N. Mehta	Chairman
Mr. Jay M. Mehta	Executive Vice Chairman
Mr. Y. K. Vyas	Nominee of GIIC Limited
Mr. M. S. Gilotra	Managing Director
Ms. Juhi Chawla Mehta	
Mr. M. L. Tandon	
Mr. Bimal Thakkar	
Mr. Hemnabh Khatau	
Mr. Venkatesh Mysore	
Mr. M. N. Rao	
Mr. K. N. Bhandari	
Mrs. Bhagyam Ramani	
Mr. Ashwani Kumar	
Mr. M. N. Sarma	

CFO & Company Secretary
Mr. V. R. Mohnot

Bankers
HDFC Bank Ltd.
State Bank of India

Auditors
M/s. Bansi S. Mehta & Co
Chartered Accountants
Mumbai

Registered Office & Works
Sidheegram, PO – Prashnawada BO,
Tal: Via Sutrapada SO Taluka, Pin Code: 362275,
Dist. Gir Somnath, Gujarat.
Tel. 02876 - 268200, Fax: 02876 - 286540
CIN: L26940GJ1973PLC002245

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

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

Website: www.gujaratsidheecementlimited.com

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors present the 45th Annual Report along with the Audited Accounts and Auditors Report for the Financial Year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

The highlights of the financial results for the Financial Year ended 31st March 2019 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current F.Y. (2018-19)	Previous F.Y. (2017-18)	**Current F.Y. (2018-19)**	Previous F.Y. (2017-18)
Revenue from Operation (Net of Excise) & Other Income	**5,781.77**	5,478.61	**5,791.38**	5,533.73
Profit/(Loss) before Interest, Depreciation, Exceptional Items and Tax	**38.42**	445.36	**47.82**	499.86
Finance Cost	**66.06**	31.22	**64.08**	34.02
Profit/(Loss)before Depreciation, Exceptional Items and Tax	**(27.64)**	414.14	**(16.26)**	465.84
Depreciation & Impairment	**97.88**	95.05	**97.88**	95.05
Profit /(Loss) before Tax	**(125.52)**	319.09	**(114.14)**	370.79
Current Tax Expense	**2.12**	16.24	**2.46**	18.55
Deferred Tax Adjustment	**(57.94)**	(29.77)	**(57.94)**	(29.77)
Profit /(Loss) before share in profits of Associate	**(69.70)**	332.62	**(58.66)**	382.01
Share in Profit of Associate	**-**	-	**-**	67.28
Profit/(Loss) for the Year	**(69.70)**	332.62	**(58.66)**	449.29
Total Other Comprehensive Income (net of tax)	**(4.34)**	0.90	**(304.13)**	(136.43)
Total Comprehensive Income	**(74.04)**	333.52	**(362.79)**	312.86
Retained Earnings – Opening Balance	**2,235.77**	1,902.25	**2,520.47**	2,070.35
Add/(Less): Profit/(Loss) for the Year	**(69.70)**	332.62	**(58.66)**	449.29
Remeasurement of Defined Benefit Plans (Net of tax)	**(4.33)**	0.90	**(4.33)**	0.83
Retained Earnings – Closing Balance	**2,161.74**	2,235.77	**2,457.48**	2,520.47

THE YEAR UNDER REVIEW

The installed capacity of cement manufacturing plants on all-India basis increased by about 50 Million Tons per Annum (MTPA) to 502 Million Tons. However, the Cement Production, in 2018-19, increased by 13% to about 337 Million Tons, as against 6.3% in the previous financial year. The growth was on account of higher demand in the housing sector, which received a fillip on account of the Government's thrust on affordable and rural housing coupled with decrease in the interest rates and increase in the infrastructure spending by the Government on roads, ports, metro projects etc. The average capacity utilisation of the cement industry was around 68%.

The demand for cement in the company's primary market, Gujarat increased by about 8-9% in FY 2018-19 over the previous financial year. However, the cement price realisations were lower than the previous year due to surplus capacity. Further a few cement units in the region, which were operating at lower utilisations increased their supplies post consolidation with other entities.

The consolidation has reduced the growth in mining sector due to which the YoY growth from 2012-14 was around 3% and which has come down to an average of 2.5% of the years 2017, 2018 and 2019.

It is expected that the construction of metro rail in major cities, bullet train infrastructure, freight corridors, concretisation of major roads, construction of new airports and ports as well as reduction in GST on housing will provide further impetus to housing sector.

The Gujarat Government has initiated various projects like construction of a business district - GIFT City, Bus Rapid Transport System (BRTS) in Ahmedabad, Surat, Vadodara, Rajkot etc., Metro Rail for Ahmedabad-Gandhinagar and Surat, Charanka Solar Park, development of smart cities etc. These projects are likely to spur development activities in the surrounding region leading to sustained growth in demand.

There was a substantial increase in the costs of coal, pet coke and transportation. Constraints in availability of pet coke further led to increase in the fuel prices.

PERFORMANCE REVIEW

Your company continued to operate at more than 100% capacity utilisation and produced 1.34 million tonnes of clinker and 1.25 million tonnes of cement during the Financial Year. The total despatches of cement & clinker during the year ended March 2019 were 1.48 million tonnes. The Specific Power Consumption of the plant improved by about 2 kWh per Ton of cement.

Marketing

Your Company's major sales volumes is from the Gujarat region. However, due to the large surplus in the region, your Company continues to maintain a presence in coastal regions of Maharashtra and Kerala. The profitability of these markets remains low on account of high cost of transport and infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIVIDEND

In view of the losses in the FY 2018-19, your Directors do not recommend any dividend for the Financial Year ended 31st of March 2019.

SHARE CAPITAL

Equity Share Capital

The paid up Equity Share Capital of the Company as on 1st April 2018 including the forfeited shares was ₹ 861.53 million. The paid up Equity Share Capital of the Company as on 31st of March 2019 including the forfeited shares was ₹ 869.13 million. During the year under review, 7,58,908 Equity Shares of ₹ 10/- each were allotted to the employees in accordance with the Gujarat Sidhee Employee Stock Option Scheme 2017.

FINANCIAL STATEMENTS

The Audited Standalone and Consolidated Financial Statements of the Company which forms part of this Annual Report has 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 on Consolidated Financial Statements.

The Consolidated Net Loss of the Company is ₹ 58.66 million for the financial year ended 31st of March 2019.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has one material subsidiary, Villa Trading Company Private Ltd as defined under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. Section 136 of the Companies Act 2013 has exempted listed companies from attaching the financial statements of their Subsidiaries to the Annual Report of the Company.

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

Secretarial Compliance Report for the year ended 31st of March 2019 from Tanuja Jalan & Co, Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed hereto as **Annexure B**.

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013.

(a) that in the preparation of the annual financial statements for the year ended 31st March 2019, 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 in place and that the financial controls were adequate and were operating effectively; and

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

CORPORATE GOVERNANCE

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions are in accordance with the approvals being granted by the Audit Committee, Board and the Members at the Annual General Meeting (as applicable). The other details as required under SEBI (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 arm's length transactions under third proviso thereto is Annexed herewith at **Annexure D** in Form No. AOC -2.

RISK MANAGEMENT

The Company has in place a Risk Management policy to identify risks, monitor and mitigate various risks to key business objectives. Major risks identified are being addressed by the plant, marketing and corporate risk management committees through risk response strategies and subsequently mitigating actions is taken. The major risks are reported to the Audit Committee and Board on quarterly basis and action taken as suggested.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes in inclusive growth to facilitate creation of a value based and empowered society through continuous and purposeful engagement with society around.

The Board of Directors have based on the recommendation of the Corporate Social Responsibility Committee, formulated a Corporate Social Responsibility Policy for welfare of the society.

The CSR policy outlining various areas of development viz. Health Care, Education, Sanitation, Ensuring environmental sustainability and Rural development projects was adopted by the Board and the same is available at the following link: http://gscl.mehtagroup.com/policy/csr-policy.

During the year under review, your Company was not obliged to spend on the CSR activities under Section 135 of the Companies Act, 2013 on account of the losses. However, as a good Corporate Governance practice, your Company has undertaken certain CSR activities during the year related to education, health and development. Your Company has been taking various initiatives in the villages in the immediate vicinity of plant locations. Your Company continues to provide medical aid, drinking water and quality education to the nearby habitants.

The details of various CSR activities undertaken during Financial Year 2018-19 has been provided 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 E** of the Report.

LOANS, GUARANTEES AND INVESTMENTS

During the year under review, there were no Loans given, Guarantees provided nor Investments made as is 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.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal financial procedure 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 the internal control systems and procedures as which has been laid down by the management and suggests improvements.

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 the adequacy of internal controls is reviewed by the Audit Committee.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment of Director

Mr. Ashwani Kumar DIN: (02870681) was appointed as Additional Director (Independent) w.e.f. 12.2.2019 for a period of 5 years subject to his appointment as a Director at the ensuing Annual General Meeting of the Company.

Mr. M. N. Sarma (DIN: 06734357) was appointed as Independent, Non-Executive Director on the Board of the Company w.e.f 26.5.2019 in casual vacancy caused due to the resignation of Mr. S. V. S. Raghavan and being eligible, offers himself for re-appointment. His appointment is subject to the approval by the shareholders at the ensuing Annual General Meeting. A consent letter was received from Mr. Sarma to act as Director of the Company in accordance to the provisions of Section 152(5) of the Companies Act, 2013.

The Board recommends the appointment.

Reappointment of Director

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Venkatesh Mysore (DIN: 01401447), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of Director 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 enclosed herewith as **Annexure F**.

The Board recommends the re-appointment.

Cessation of Director

i. Mr. P. K. Behl (DIN: 00653859), Independent Director ceased to be the Director of the Company with effect from 8.3.2019 under Section 164(2) read along with Section 167 of the Companies Act, 2013.

ii. Mr. S. V. S. Raghavan (DIN: 00111019), Independent Director has resigned as Director of the Company with effect from 25.5.2019 (closure of business hours) due to age related health issues.

The Board places on record their valuable services rendered to the Company during their tenure as the Directors of the Company.

Appointment / Change in Key Managerial Personnel :

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

Disclosure pertaining to disqualification of Directors:

In accordance with the SEBI (LODR) Regulations, 2015; a certificate is being provided by a Practicing Company Secretary that none of the Directors on the Board of the Company have been disqualified to act as Director. The same is enclosed herewith as **Annexure G**.

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 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 each and every Board member and the Board carry out annual performance evaluation of the entire Board, Individual Directors including Chairman. The responses being received were evaluated by the Board.

Declaration by Independent Directors

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25 (8) & (9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS

Statutory Auditors

At the 44th Annual General Meeting held on 13th August, 2018, the shareholders had approved the appointment of M/s. Bansi S. Mehta & Co, Chartered Accountants (Firm Registration No. 100991W) 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 44th Annual General Meeting till the conclusion of 48th Annual General Meeting at such remuneration as may be decided by the Board in consultation with the auditors from time to time. Pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective from 7th May 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

M/s. Bansi S. Mehta & Co, Chartered Accountants have furnished a certificate of their eligibility and consent under section 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 for their continuance as the Auditors of the Company for the Financial Year 2019-20.

Secretarial Auditors

M/s. Ragini Chokshi & Co., Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2018-19. The report of the Secretarial Auditor is annexed as **Annexure H** to this report.

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 Auditor of the Company for the Financial Year 2019-20.

Tax Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Bansi S. Mehta & Co., Chartered Accountants to carry out the Tax Audit for the Assessment Year 2019-20.

Internal Auditors

The Board of Directors on the recommendation of the Audit Committee appointed Mr. Tushar J. Shah, Chartered Accountant, to carry out the Internal Audit of the Company for the Financial Year 2019-20.

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. M. Goyal & Co. Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2019-20. 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. M. Goyal & 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.

OTHER DISCLOSURES UNDER COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS 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.

Nomination & Remuneration Committee & Policy

The Company has a Nomination & Remuneration Committee and has also adopted a Nomination & Remuneration Charter and Remuneration / Compensation Policy. The constitution of the committee along with the terms of reference to the committee are set out in the Corporate Governance Report. The Nomination and Remuneration Charter and Compensation Policy is available at the following links: http://gscl.mehtagroup.com/policy/nomination-and-remuneration-charter and http://gscl.mehtagroup.com/policy/compensation-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 policies, etc. The Whistle Blower Policy has been posted on the website Company at the following link: http://gscl.mehtagroup.com/policy/whistle-blower-policy

During the year under review, four meetings of the Board of Directors were held. The meetings were held on 25th day of May 2018, 13th day of August 2018, 2nd day of November 2018 and 12th day of February 2019.

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

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

Significant / Material orders based by the regulators

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.

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-7 is available on the website of the Company at the following link: http://gscl.mehtagroup.com/investors/annualreturn.

Particulars of Employees

There were 407 permanent employees of the Company as on 31st March 2019. The disclosure 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 to this report at **Annexure J**.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and other details as required under Rule 5(3) 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 the 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 Secretary, whereupon a copy would be sent. Further, the details are also available on the Company's website at: http://gscl.mehtagroup.com/investors.

Employee Stock Option Scheme

The ESOP Scheme has been implemented as per the SBEB (Share Based Employee Benefits) Regulations 2014 [SBEB Regulations]. The certificate of the auditors regarding the implementation of the scheme being in accordance with SBEB Regulations would be placed at the annual general meeting for the inspection of the members.

Applicable disclosure as stipulated under SBEB regulation as on 31st March 2019 with regard to employees stock option scheme is provided at **Annexure K** to this report.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Acts, 2013

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

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

Other Disclosures:

1. **Secretarial Compliance Report**

   The Secretarial Compliance Report provided for the year ended 31st March 2019 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 is annexed hereto as **Annexure L**.

   No disclosure or reporting is made in respect of the following items as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 as there were no transactions during the year under review:

   - Details relating to deposits covered under Chapter V of the Companies Act, 2013.
   - 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.
- The Managing Directors of the company do not receive any remuneration or commission from any of its subsidiaries.
- No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- There was no 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 as amended, 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 Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid listing fees as prescribed for Financial Year 2019-20.

Staff Relations

Industrial relations at our factory and offices remained cordial.

Secretarial Standards

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

Awards

During the year under review, the Company has received following Awards.

1. Greentech Environment Award-2018 "Platinum Award in Cement Sector" by Greentech foundation-New Delhi for prevention of pollution up to 90%, green belt development, environmental audit, water conservation practices, conservation of natural resources etc.
2. Apex India Environment excellence - 2018 Award for environment protection in Platinum category by Foundation for Accelerated Mass Empowerment-New Delhi.

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.

On behalf of the Board of Directors

	M. S. Gilotra	**Jay Mehta**
Place : Mumbai	Managing Director	Executive Vice Chairman
Dated : 24th May, 2019	(DIN: 00152190)	(DIN: 00152072)

ANNEXURE A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cement Industry and Outlook

The growth in GDP at constant prices for the financial year 2018-19 was about 7% as compared to 6.6% growth in the previous year. The Growth rate for the 8 core industries during the financial year 2018-19 was 4.3% similar to the previous year. India is the fastest growing major economy and the seventh largest in the world with a contribution of about 7.7% to the world's GDP on PPP basis. Indian economy continues to be one of the fastest growing major economies in the World with 3.17% contribution to Global GDP.

Manufacturing contributes about 17% to the country's GDP and is expected to increase to 25% in the next few years pursuant to "Make in India" initiative. The growth rates in the manufacturing and construction sectors were about 8.1% and 8.9% respectively as against 5.9% and 5.6% respectively in the previous financial year. The infrastructure sector is a key propeller for the Indian markets, contributing significantly to the growth of the national economy. Consequently, the Government of India lays special emphasis on this industry, initiating and establishing several regulatory structures to ensure the advancement of this sector.

Cement consumption in India has a strong correlation with the GDP growth and the growth in cement consumption is estimated at 1.20 times GDP growth with a time lag. India is the second largest cement producer in the world with an annual production of about 337 Million Tons in FY 2018-19. The Installed Capacity increased by about 50 Million Tons during FY 2018-19 to 502 Million Tons. The average capacity utilisation also increased to about 68%. The Country's per Capita consumption is estimated to be around 210 kg, which is far lower than the world average of about 580 kg and about 300-450 kg in other developing countries. The cement industry is vital part of Indian economy providing employment to about 20,000 people directly or indirectly.

The housing sector is the biggest demand driver, accounting for about 65% of total consumption in India. The housing segment is expected to grow rapidly with the lowering of GST on housing and reduction in interest rates on home loans. The housing and real estate segment received impetus from housing for all / Pradhan Mantri Awas Yojana initiative in rural areas and affordable housing in urban areas.

The other major consumers of cement include Infrastructure at 20-25% and Commercial / Industrial development at 10-15%. Infrastructure segment received impetus with implementation of infrastructure projects by the Government under Bharatmala and Sagarmala for roads and dedicated freight corridors for railways. Construction of Metro Rail, flyover bridges, concrete roads, ports, airports, smart cities etc will go a long way in boosting infrastructure and consequently cement demand.

The consolidation in the Indian cement industry continues with top 8 companies accounting for about 60% of the installed capacity However, the nature of the industry remains fragmented with 94 major companies operating about 260 large plants resulting in unhealthy competition. The huge surplus capacity and inefficient infrastructure for bulk transportation results in volatile prices in different regions.

The cement demand in the state of Gujarat grew by about 8-9% during FY 2018-19. However, the prices remained under pressure due to supply overhang and lack of export opportunities.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by the year 2025.

Though the power, fuel and transportation costs increased during the year under review, the cement prices declined compared to the previous year putting strain on the Company's profitability and cash flow.

Opportunities & Threats

Considering the focus of the Government on housing and infrastructure development the long term future of Indian Cement Industry is optimistic and positive. However, the lower capacity utilization due surplus capacity continues to be a challenge and. Old plants with less energy efficient process and machinery are like to experience fierce competition in the market places.

In the state of Gujarat, there is a large supply overhang, which may affect the stability of cement prices. A large part of production therefore will need to be exported or transported to longer distances, in other states like Maharashtra, Karnataka and Kerala involving higher logistic costs.

The amendments in Mines and Minerals (Development and Regulation) Act, 2015 are expected to cause impediments in allotment / renewal of leases and increase the cost of limestone. The increase in costs of fuel, power and diesel for transportation will affect the operating margins adversely.

Performance Analysis :

During the Financial Year ended 31st March 2019, your Company incurred a net loss of ₹ 69.70 million as against net profit of ₹ 333 million in the previous financial year. There was lower price realisations prevailing in the market and steep increase in the costs of coal, pet coke, diesel for transportation and effect of inflation on fixed costs.

During the year, your Company has produced and sold cement of different varieties like Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The bulk of the revenue and profitability comes from the sale of different types of cement and clinker.

The infrastructural constraints and the high cost of handling of cement at public ports is remains a concern. The cost of delivery by road is adversely affected by the frequent changes in the deregulated diesel prices.

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

Ratio	Current FY 2018-19	Previous FY 2017-18	Variance, %	Reason for Variance
Debtors Turnover - Days	8.29	7.03	18%	Increase in Turnover
Inventory Turnover - Days	33.63	34.70	-3%	
Interest Coverage Ratio	0.42	22.28	-98%	Adverse profitability and Interest charge on loan taken for WHR Project
Current Ratio	0.68	0.67	1%	
Debt Equity Ratio	0.14	0.12	18%	Increase in utilisation of Overdraft against Fixed Deposit
Operating Profit Margin (%)	0.7%	8.3%	-92%	Lower price realisations and higher costs
Net Profit Margin (%)	-1.2%	6.2%	-120%	Lower price realisations and higher costs

The Return on Net Worth of your Company for the FY 2018-19 was –2% as against 9% in the previous financial year. The reason for the adverse change in the ratio was losses incurred by your Company in the Current Financial Year on account of adverse market conditions and increase in costs, particularly energy costs.

Risks and Concerns

I. There is intense competition in the market on account of large surplus capacity and addition of new entities in the Cement. Further there is consolidation in the industry with mergers and acquisitions taking place which are changing the market dynamics. This may cause 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 sale promotion, thrust on local markets, leveraging the brand strength due to which it is able to operate at over 100% capacity utilisation though the average capacity utilisation for the industry is about 68%.

II. Increase in cost of raw materials, energy, delivery cost etc are pushing the cost of sales without a corresponding increase in the price realizations, which may affect the profitability of the Company. Your Company is mitigating this risk through various cost saving initiatives like reduction in power costs, use of blending materials, Alternate Fuels and Raw Materials, Waste Heat Recovery Power Plant and procurement through competitive bidding and auctions.

III. Availability of certain raw materials and fuels may be adversely affected due to recent changes in Mining Laws and restrictions on use of certain fuels / raw materials. Your Company has taken initiatives to mitigate this risk through entering into long term agreements for raw materials and identifying use of alternative fuels and raw material sources.

Internal Control systems and their adequacy

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

Human Resource Development / Industrial Relations

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

Acknowledging, “continuous Learning is the key to continuous improvement in performance” the management is using more than one method for employee development viz- leadership development programs, cross functional team assignments, job rotation, E-learning, video-conferencing are some of the additional initiatives undertaken.

The management recognizes performing and potential employees, however at the same time, it recognizes the importance of employees who are with the Company for long and have contributed to its growth. The Company has also offered ESOPs to employees meeting defined criteria in order to make them partners in the prospects of the company.

The employee engagement survey revised with new initiative "talk to me" had overwhelming response. The new initiative helped us understand the pulse of our employees and their pain area and aspirations. The policies and practices are being aligned to meet the business objectives.

The Industrial relations at the plant were cordial.

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

The Company had 407 permanent employees as on 31.3.2019.

CORPORATE SOCIAL RESPONSIBILITY

Community Welfare Activities

Sustainability and Community Welfare Activities have been core values at the Company since its inception. The Company strives to positively impact the lives of the communities around its areas of operation, minimize impact on the environment and address concerns of communities in a mutually beneficial manner. The Company lays emphasis on understanding the requirements of the local community and embark on initiatives, investing considerable resources, which create long-term societal benefits.

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

Health Care

GSCL is committed to ensuring zero harm to its employees, contractors and the communities in which it operates. This is integral to the business process and is laid down in the health and safety (H&S) policies, standards and working procedures. The factory has a health care centre providing medical aid to the Company's employees and the family members, workers as well as patients from the nearby areas. The Company conducts various immunization programs, blood donation camp, family welfare education, health care, safety as well as various periodical health check-up and first aid training programs for employees/workers and communities in the vicinity.

Education

Your Company has a full-fledged School up to 10th Standard affiliated with CBSE for the children of the employees and local people staying in nearby areas. In order to enable the children studying in English medium schools or Colleges in Veraval, the Company provides school bus facility.

Sanitation

Your Company is committed to improve sanitation as majority of the rural people in the vicinity of the plant do not have proper facility of sanitation. The Company also participates in the Government of India's initiatives like Swachh Bharat Abhiyan.

Environment Initiatives

Your Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant premises and nearby areas. Your Company has planted more than two lakh trees in the last one decade with survival rate of more than 90%. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

Cautionary Statement

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

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

On behalf of the Board of Directors

Place : Mumbai	**M. S. Gilotra**	**Jay Mehta**
Dated : 24th May, 2019	Managing Director	Executive Vice Chairman
	(DIN: 00152190)	(DIN: 00152072)

ANNEXURE B

SECRETARIAL AUDIT REPORT

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

To,
The Board of Directors
VILLA TRADING COMPANY PRIVATE LIMITED
Mumbai.

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

Based on our verification of the 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 year ended on 31st March 2019, 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:

1. **A** We have examined the books, papers, minute books, forms and returns filed and other records maintained by **VILLA TRADING COMPANY PRIVATE LIMITED ("The Company")** for the financial year ended on 31st March 2019 according to the provisions of:

   I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

   II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - There were no foreign Direct Investment, overseas Direct Investment & External Commercial Borrowing during the year under review.

   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :- N.A.

      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, 1992;

      c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

      f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

      g. The Securities & Exchange Board of India (Employee stock option Scheme & Employee Stock purchase Scheme) guidelines, 1999.

      h. The Securities & Exchange Board of India (Issue & Listing of Debt Securities) Regulations 2008.

   VI) Other Laws as are applicable to the Company as per representations made by the management.

   B. 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 the BSE Limited, National Stock Exchange of India Limited.- The Company's shares are not listed on any of the stock exchange.

   During the year under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines mentioned above.

2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

a) maintenance of various statutory registers and documents and making necessary entries therein;

b) closure of the Register of Members.

c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;

e) notice of Board meetings, however no committees were formed by the company.

f) the meetings of Directors including passing of resolutions by circulation;

g) minutes of proceedings of General Meetings and of the Board meetings;

h) approvals of the Members, the Board of Directors, and the government authorities, wherever required;

i) constitution of the Board of Directors /, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

j) appointment and remuneration of Auditors Whereas cost Audit is not applicable to company.

k) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

l) declaration and payment of dividends;

m) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

n) borrowings and registration, modification and satisfaction of charges wherever applicable;

o) investment of the Company's funds including investments and loans to others;

p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

q) Directors' report;

r) contracts, common seal, registered office and publication of name of the Company; and

s) Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that:

The Board of Directors of the Company is duly constituted having Executive Directors & Company secretary. 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.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that as per the explanations and clarifications given to us and representation made by management and relied upon by us, 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 there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations guidelines etc:

This Report is to be read with our letter of even date which is annexed as Annexure I and Forms an integral part of this report.

For Tanuja Jalan & Co.

(CS TANUJA JALAN)
Practising Company Secretary
CP No. 3277

Date : 19th April, 2019
Place : Mumbai

Annexure I of Secretarial Audit Report

To,
The Members
VILLA TRADING COMPANY PRIVATE LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we obtained the Management representation about the Compliance of laws, rules and regulations, norms and standards and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Tanuja Jalan & Co.

(CS TANUJA JALAN)
Practising Company Secretary
CP No. 3277

Date : 19th April, 2019
Place : Mumbai

ANNEXURE C

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

In accordance with the Regulation 34(3)(5) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015)], the Company has endeavoured to comply with the highest standards of Corporate Governance norms.

The mandatory requirements under Corporate Governance section has been complied in letters and spirit. Further, the Company has also adopted various non-mandatory good corporate governance practices and has maintained highest standards of reporting till date. The Company submits the following:

1.1. GOVERNANCE STRUCTURE

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

a) Board of Directors:

The Board of Directors (the Board), directs and guides the activities of the Management towards setting up of goals and seeks the accountability with a view to create long term sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

b) 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, Finance Committee and Allotment Committee. These Committees undertake the functions, roles and responsibilities as provided herewith.

c) Executive Management:

The business and compliances are overseen by the Executive management of the Company. The Executive Vice Chairman (EVC) and Managing Director (MD) look after the day-to-day business of the Company under the overall supervision and guidance of the Board. The EVC and MD are supported by business head and department heads across the locations.

2. BOARD OF DIRECTORS:

(i) Composition (As on 31.3.2019)

Your Company's Board comprises of 14 (fourteen) Directors, which include 7 (seven) Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The composition of the Board as on 31st March, 2019 is as under:

Category	**No. of Directors**
Non-Independent Directors – Non Executive (including Chairman)	5
Independent Directors	7*
Non-Independent & Executive – EVC & MD	2
Total	**14***

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

* Includes Mr. S. V. S. Raghavan who has resigned w.e.f. 25/05/2019.

2.1 Profile of Directors

The brief profile of each Director is given below:

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

Mr. M. N. Mehta, aged 87 years, is an Industrialist. Mr. Mehta is a Non Resident Indian. He completed his schooling in India and then joined the family business at the age of 19 in East Africa and has over seven decades of entrepreneurial experience. He is the motivating force behind the Group. He is also the Chairman of Saurashtra Cement Limited and its subsidiary company in India.

He joined the Board of the Company in December, 1984. He was reappointed in current term on 13.08.2018.

Further, consent of the Members was accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, 2015 at the Annual General Meeting held on 13th August 2018 for continuation of holding of office by Mr. M. N. Mehta as a Non-Executive Chairman who has attained the age of 75 years.

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

Mr. Jay Mehta, aged 58 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 3 decades of experience in Cement Industry. He is also Executive Vice Chairman of Saurashtra Cement Limited and Board member of Agrima Consultant International Limited and other private and public limited companies in India. Mr. Jay Mehta is a Member of Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Board.

He joined the Board of the Company in April, 1992. He was reappointed in current term on 1.1.2016.

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

Mr. Hemnabh R. Khatau, aged 58 years, has graduated with B.A (Electrical Engineering) from Cambridge University, MSc. (Microprocessor Engineering) (UMIST) and MSc (Sloan Fellowship Master Programme, London Business School). He has track record of successful Board level line management in manufacturing and financial services sectors. He has wide experience in developing and implementing successful strategies for growth and improving performance. He has worked in UK for a decade in various positions in the consulting practices of Capgemini UK, KPMG and Indeco IMC. He is also Director of Saurashtra Cement Limited and of Agrima Consultants International Limited.

He joined the Board of the Company in October, 2008. He was reappointed in current term on 13.8.2018.

(iv) Mr. Venkatesh Mysore – DIN: 01401447 (Non-Executive Director, Non-Independent)

Mr. Venkatesh Mysore, aged 60 years, is qualified MBA in Marketing & Finance from Madras University and also attained his Chartered Life Underwriter (CLU) designation from the American College in 1991. He has got more than 35 years experience and his last assignment was that of the India Country Head of Sun Life Financial of Canada since January 2007 and prior to that he was with Metlife, USA for over 21 years. He is also on the Board of several public limited companies. Mr. Venkatesh Mysore is the Chairman of Stakeholders Relationship & Grievances Committee and Member of Allotment Committee of the Board.

He joined the Board of the Company in October, 2010 and was reappointed in current term on 25.7.2017. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

(v) Mrs. Juhi Chawla Mehta – DIN: 00161706 (Non-Executive Director, Non-Independent)

Mrs. Juhi Chawla Mehta, aged 52 years, is Commerce Graduate from University of Mumbai with Honors. She is renowned Cine Artist. She is also on the Board of other private limited companies. She is the Member of Corporate Social Responsibility (CSR) Committee of the Board.

She joined the Board of the Company on 31.5.2014.

(vi) Mr. Y. K. Vyas – DIN: 03420201 (Non-Executive Director, GIIC Nominee, Non-Independent)

Mr. Y. K. Vyas, aged 62 years, has done B. E. (Mech). Mr. Vyas is working as Manager (Projects) and Zonal Manager (Rajkot) of Gujarat Industrial & Investment Corporation Ltd.

He joined the Board of the Company in 10.2.2015. He was reappointed in current term on 25.7.2017.

(vii) Mr. M. L. Tandon – DIN: 00078923 (Non-Executive Director, Independent)

Mr. M. L. Tandon, aged 80 years, has done M.S.E.E.(Purdue), USA, MBA (U.S.C,U.S.A). He is an Industrialist. He is on the Board of several private and public limited companies. He is the Member of Audit Committee and Nomination & Remuneration Committee of the Board.

He joined the Board of the Company in July, 1987. He was reappointed as Independent Director at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, the Annual General Meeting held on 13th August 2018 for continuation of holding of office by Mr. Tandon as a Non-Executive Independent Director who has attained the age of 75 years.

(viii) Mr. S. V. S. Raghavan – DIN: 00111019 (Non-Executive Director, Independent)

Mr. S. V. S. Raghavan, aged 89 years, is IDAS (Retd). He has been awarded Padmashri by Government of India for his excellent services. He was also given the award of the "First Citizen of India" by the President of India. He was the Chairman of BHEL, MMTC, STC, BBIL and retired in the rank of Secretary of the Ministry of Commerce, Government of India, New Delhi. He is the Chairman of Audit Committee and Nomination & Remuneration Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

Originally, he joined the Board in April 1992. He was reappointed as Independent Director at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, the Annual General Meeting held on 13th August 2018 for continuation of holding of office by Mr. Raghavan as a Non-Executive Independent Director who has attained the age of 75 years.

Mr. S. V. S. Raghavan, Independent Director has submitted his resignation from the Board w.e.f. 25.5.2019 (closure of business hours) due to age related health issues and accordingly ceased to the Chairman of Audit Committee and Nomination & Remuneration Committee.

(ix) Mr. M.N. Sarma - DIN: 06734357 (Non-Executive Director, Independent)

Mr. M.N. Sarma, aged 60 year, is a Post Graduate in Economics, LLB and he is Associate Member of the Insurance Institute of India. Mr. Sarma has experience in insurance sector of around 36 years serving in New India Assurance Company Ltd, Oriental Insurance Company Limited, The Ken India Assurance Company Ltd, Nairobi and Government of India owned Heath Insurance TPA of India Limited. He retired as Chairman-cum-Managing Director of United India Insurance Company Ltd. He will be taking new assignment as Secretary General of General Insurance Council effective from 1st August 2019.

Mr. M.N. Sarma has been appointed as Director (categorized as Independent Director) by the Board of Director of company w.e.f 25.5.2019 (closure of business Hours) for a period from 26.5.2019 to 31.3.2024 due to the casual vacancy caused by the resignation of Mr. S.V.S. Raghavan.

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

Mr. Bimal Thakkar, aged 54 years, has done B.Com and Diploma in Export Management and has also done a course in International Business and Marketing from Trade Development Institute of Ireland. He has over two decades of experience and is currently spearheading the ADF Group. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets for the products in U.K. USA, Gulf, Australia, Europe etc. He is also on the Board of several public limited companies. He is a Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

He joined the Board of the Company in October, 2008. He was reappointed at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

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

Mr. M. N. Rao, aged 81 years, is Science Graduate and Mechanical Engineer. He has worked with IDBI and has wide experience in Cement Industry. He is a Member of Audit Committee and Stakeholders Relationship & Grievances Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

Originally, he joined the Board in May 2014. He was reappointed as Independent Director at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, the Annual General Meeting held on 13th August 2018 for continuation of holding of office by Mr. Rao as a Non-Executive Independent Director who has attained the age of 75 years.

The Board at its meeting held on 24th May 2019 appointed Mr. M. N. Rao as Chairman of Audit Committee in place of Mr. S. V. S. Raghavan.

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

Mr. K. N. Bhandari, aged 77 years, has done B.A., LL.B. He is the Ex-Chairman-cum-Managing Director of The New India Assurance Company Limited and United India Insurance Company Limited. Mr. Bhandari is having rich experience in the Insurance Industry. He is also on the Board of several public limited companies. Mr. K. N. Bhandari is a Member of Nomination & Remuneration Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

Originally, he joined the Board in May 2014. He was reappointed as Independent Director at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, the Annual General Meeting held on 13th August 2018 for continuation of holding of office by Mr. Bhandari as a Non-Executive Independent Director who has attained the age of 75 years.

The Board at its meeting held on 24th May 2019 appointed Mr. K. N. Bhandari as Chairman of Nomination & Remuneration Committee in place of Mr. S. V. S. Raghavan.

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

Mrs. Bhagyam Ramani, aged 67 years, is a Post Graduate in Economic (Hons) with specialization in Industrial & Monetary Economics and retired as Director & General Manager of General Insurance Corporation of India, a Government of India Undertaking. She has more than 4 decades experience in various fields including finance and accounts. She is also on the Board of several public limited companies. She is also on the Board of Saurashtra Cement Limited.

She joined the Board in August 2014. She was reappointed as Independent Director at the Annual General Meeting held on 13.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

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

Mr. Ashwani Kumar, aged 61 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 at operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank. He is also on the Board of other companies including Saurashtra Cement Limited.

He joined the Board with effect from 12.2.2019 and he shall hold office upto the date of the ensuing Annual General Meeting. He is eligible for re-appointment upto a period of 5 years from the date of appointment as Additional Director.

The Board at its meeting held on 24th May 2019 inducted Mr. Ashwani Kumar as Member of Nomination & Remuneration Committee.

(xv) Mr. M. S. Gilotra – DIN: 00152190 (Managing Director, Non-Independent)

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 22 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 Saurashtra Cement Limited. He is a Member of Audit Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Board.

He joined the Board of the Company in June, 1995. He was reappointed in current term from 1.1.2016.

2.2 APPOINTMENT OF DIRECTOR

Mr. Ashwani Kumar DIN: (02870681) was appointed as Additional Director (Independent) w.e.f. 12.2.2019 for a period of 5 years. He is eligible for reappointment at the ensuing Annual General Meeting.

Re-appointment of Director

Mr. Venkatesh Mysore (DIN: 01401447), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

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

2.3 CESSATION OF DIRECTOR

i. Mr. P. K. Behl (DIN: 00653859), Independent Director ceased to be the Director of the Company with effect from 8.3.2019 under Section 164(2) read along with Section 167 of the Companies Act, 2013.

ii. Mr. S. V. S. Raghavan (DIN: 00111019) resigned as Director of the Company with effect from 25.5.2019 (closure of business hours) as he is facing age related health issues. Resignation letter received from Mr. Raghavan is uploaded on the website of the Company at the following link: http://gscl.mehtagroup.com/investors/shareholder-information/resignation-of-director

2.4 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.

During the financial year under review, four Board meetings were held. The meetings were held on the 25th day of May 2018, 13th day of August 2018, 2nd day of November 2018 and 12th day of February 2019. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on 13th August 2018. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relation-ships	No. of shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	4	Yes	Father of Mr. Jay Mehta	–
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	4	Yes	Son of Mr. M. N. Mehta	1000
3.	Mrs. Juhi Chawla Mehta	Non-Executive, Non-Independent	4	Yes	Wife of Mr. Jay Mehta	78600
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	4	Yes	–	–
5.	Mr. Venkatesh Mysore	Non-Executive, Non-Independent	3	No	–	–
6.	Mr. Y. K. Vyas GIIC Nominee	Non-Executive, Non-Independent	1	No	–	–
7.	Mr. M. L. Tandon	Non-Executive, Independent	3	No	–	–
8.	Mr. P. K. Behl (Ceased to be the Director w.e.f. 8.3.2019)	Non-Executive, Independent	3	Yes		
9.	Mr. S.V.S. Raghavan	Non-Executive, Independent	2	No	–	–
10	Mr. Bimal Thakkar	Non-Executive, Independent	4	Yes	–	–
11.	Mr. M.N. Rao	Non-Executive, Independent	4	Yes	–	–
12.	Mr. K N. Bhandari	Non-Executive, Independent	3	Yes	-	-
13.	Mrs. Bhagyam Ramani	Non-Executive, Independent	4	Yes	-	-
14.	Mr. Ashwani Kumar (Appointed as Independent Director w.e.f. 12.2.2019)	Non-Executive, Independent	1	No	-	-
15.	Mr. M. S. Gilotra	Managing Director, Non-Independent	4	Yes	-	50000*

*Issued and allotted under Gujarat Sidhee Employees Stock Option Scheme 2017.

Except Mr. M. N. Mehta, Mr. Jay Mehta and Mrs. Juhi Chawla Mehta, none of the Directors of the Company nor any of the Key Managerial Personnel are inter se related.

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 Standard (SS-1) on "Meeting of the Board of Directors" issued by the Council of Institute of Company Secretaries of India and approved by the Central Government read along with Schedule II Part A of SEBI (LODR) Regulations, 2015 are circulated to the Directors 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 and CFO are invited to attend all the Board 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 makes presentation on the quarterly and annual operating and financial performance and on annual budget. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

2.5 Other Directorships

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

The details of the Directorships and Committee memberships in other Companies along with the names of the listed entities and the category of directorship held by the Directors as on 31st March 2019 are given below:

Sr. No	Name of the Director	Other Directorships*	Committee Positions**		Names of the listed entities	Category of directorship
			Chairman	Member		
1.	Mr. M. N. Mehta Chairman, Non-Executive, Non-Independent	6	-	-	Saurashtra Cement Limited	Chairman, Non-Executive, Non-Independent
2.	Mr. Jay Mehta Executive Vice Chairman, Non-Independent	7	-	1	1. Saurashtra Cement Limited 2. ADF Foods Limited	Executive Vice Chairman, Non-Independent Non-Executive, Independent Director
3.	Mrs. Juhi Chawla Mehta Non-Executive, Non-Independent	-	-	-	-	-
4.	Mr. Hemnabh Khatau Non-Executive, Non-Independent	6	-	-	Saurashtra Cement Limited	Non-Executive, Non-Independent Director
5.	Mr. Venkatesh Mysore Non-Executive, Non-Independent	2	1	-	Oberoi Realty Limited	Non-Executive, Independent Director
6.	Mr. Y. K. Vyas Non-Executive, Non-Independent	5	-	-	1. Gujarat Poly Electronics Limited 2. Gujarat Lease Financing Limited	Non-Executive, Independent Director
7.	Mr .M .L. Tandon Non-Executive, Independent	8	-	-	-	-
8.	Mr. S.V.S. Raghavan Non-Executive, Independent	1	1	1	Saurashtra Cement Limited	Non-Executive, Independent Director
9.	Mr. Bimal Thakkar Non-Executive, Independent	3	1	3	1. Saurashtra Cement Limited 2. ADF Foods Limited	Non-Executive, Independent Director Executive, Managing Director
10	Mr. M.N.Rao Non-Executive, Independent	1	1	-	Saurashtra Cement Limited	Non-Executive, Independent Director

Sr. No	Name of the Director	Other Directorships*	Committee Positions**		Names of the listed entities	Category of directorship
11.	Mr. K. N. Bhandari Non-Executive, Independent	8	1	6	1. Shristi Infrastructure Development Corporation Limited 2. Andhra Cements Limited 3. Saurashtra Cement Limited 4. Hindalco Industries Limited 5. Jaiprakash Powers Ventures Limited 6. Jaiprakash Associates Limited	Non-Executive, Independent Director
12.	Mrs. Bhagyam Ramani Non-Executive, Independent	6	-	2	1. Capri Global Capital Limited 2. Saurashtra Cement Limited 3. Lloyds metals and Energy Limited	Non-Executive, Independent Director
13.	Mr. Ashwani Kumar Non-Executive, Independent	1	-	-	Saurashtra Cement Limited	Non-Executive, Independent Director
14.	Mr. M.S. Gilotra Managing Director, Non-Independent	1	-	2	Saurashtra Cement Limited	Executive, Managing Director

- *Includes Directorships of Indian Public Limited companies other than Gujarat Sidhee Cement Limited.
- **Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (whether listed or not) other than Gujarat Sidhee Cement Limited.

2.6 INDEPENDENT DIRECTORS

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meeting held on 13th August 2018. None of the Independent Directors serve as "Independent Directors" in more than seven listed companies. The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and SEBI (LODR) Regulations, 2015.

As per Schedule IV to the Companies Act, 2013 and Clause 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 25th May 2019 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information necessary for the Board to discharge its duties between the Company's management and its Board.

2.7 FAMILIARIZATION PROGRAMME FOR THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

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://gscl.mehtagroup.com/announcements/familiarization-program-for-independent-directors-for calendar year 2019.

2.8 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 and Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings, domain knowledge, 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 carry out annual performance evaluation to the entire Board, Individual Directors including Chairman. The result of the evaluation is satisfactory and adequately meets the requirements of the Company.

2.9 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 LODR amended Regulation 2018 is given below:

Sr. No.	**Skills / Expertise / Competence**	**Available with the Board (Yes / No)**
1	Technical Expertise	Yes
2	Legal Expertise	Yes
3	Industry Expertise	Yes
4	Finance Expertise	Yes
5	Marketing Expertise	Yes

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

3. AUDIT COMMITTEE:

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

The Audit Committee of the Board comprises of five members viz. Mr. S. V. S. Raghavan, Mr. M. L. Tandon, Mr. Bimal Thakkar, Mr. M. N. Rao, and Mr. M. S. Gilotra, Managing Director of the Company. Mr. S. V. S. Raghavan is the Chairman of the Audit Committee.

During the year under review, four meetings of Audit Committee were held. The meetings were held on 24th day of May 2018, 13th day of August 2018, 2nd day of November 2018 and 12h day of February 2019. Partners/Representative from Statutory Auditors and Internal Auditors, also attended the meetings.

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

Members of the Audit Committee	**No. of Meetings held**	**No. of Meetings attended**
Mr.S. V. S. Raghavan, Chairman @	4	3
Mr. M. L. Tandon, Member	4	3
Mr. P. K. Behl, Member*	4	4
Mr. Bimal Thakkar, Member	4	4
Mr. M. N. Rao, Member#	4	4
Mr. M.S. Gilotra, Member	4	4

* Mr. P.K. Behl ceased to be the Member of Audit Committee w.e.f 8.3.2019.

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

Mr. M.N. Rao has been appointed as Chairman of Audit Committee in place of Mr. S. V. S. Raghavan.

The approved minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

TERMS OF REFERENCE OF AUDIT COMMITTEE

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 in the subsidiary exceeding rupees 100 crore 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;

4. *CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE*

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

1. Mr. Jay Mehta - Executive Vice Chairman
2. Mr. M. S. Gilotra - Managing Director
3. Ms. Juhi Chawla Mehta - Member
4. Mr. Bimal Thakkar - Member

During the year under review, the Committee had one meeting. The meeting was held on 24th day of May 2018. 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	-
Mr. M. S. Gilotra, Member	1	1
Ms. Juhi Chawla Mehta, Member	1	1
Mr. Bimal Thakkar, Member	1	1

The Company has a policy in place on the Corporate Social Responsibility.

Terms of Reference:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII;

b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
c) To monitor the CSR Policy of the Company from time to time; and
d) Such other Terms of Reference as may be specified from time to time under the Companies Act, 2013, Rules thereunder and Schedule VII of the Act.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of four Independent Directors viz. Mr. S. V. S. Raghavan, Mr. M.L. Tandon, Mr. P. K. Behl and Mr. K. N. Bhandari. Mr. Bimal Thakkar was appointed as Member of the Committee w.e.f. 12.2.2019. Mr. S. V. S. Raghavan is the Chairman of the Nomination and Remuneration Committee.

During the year under review, the Committee had one meeting. The meeting was held on 24th day of May 2018.

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

Sr. No.	Members of Nomination and Remuneration Committee	No. of Meetings held	No. of Meetings attended
1.	Mr. S.V.S. Raghavan (Chairman)@	1	1
2.	Mr. M. L. Tandon (Member)	1	-
3.	Mr. K. N. Bhandari (Member)#	1	1
4.	Mr. P. K. Behl (Member)*	1	1
5.	Mr. Bimal Thakkar, Member	-	-

*Mr. P. K. Behl ceased to be the member of the Committee w.e.f. 8.3.2019

@ 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 and Remuneration Committee Meetings are perused and noted by the Board of Directors at the subsequent Board Meetings.

Terms of Reference

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

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

The Remuneration paid to Executive / Non Executive Directors as per the Companies Act, 2013. Sitting fees being paid to Non Executive / Independent Directors does not exceed to Rs. 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 reimbursed out of pocket expenses incurred by the Directors for attending such meetings.

DETAILS OF REMUNERATION OF DIRECTORS PAID FOR THE FINANCIAL YEAR 2018-19.

Executive Directors: **₹ in Lacs**

						Exempt Benefits			
Name	**Salary & Allowances**	**Perquisites**	**Contribution to Superannuation (Taxable)**	**Performance linked Incentives**	**Total**	**Contribution to PF**	**Contribution to Superannuation**	**Total**	**ESOP Granted/ Vested/ Exercised/ Allotted**
Mr. Jay M Mehta, Executive Vice Chairman	146.02	1.50	12.32	-	159.84	11.06	-	170.90	-
Mr. M. S. Gilotra, Managing Director	211.98	6.48	14.66	-	233.12	12.93	-	246.05	Granted - 430769 Vested - 142154 Exercised and Allotted – 50000 shares

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 fee is applicable to the above Directors.

(*) ESOP is granted at Rs.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 Directors were paid sitting fees of ₹ 50,000/- per meeting for attending the meeting of the Board, Audit Committee, Independent Director meeting and Nomination & Remuneration Committee. The sitting fees is ₹ 20,000/- per meeting for Stakeholders & Relationship Grievances Committee, CSR Committee, Allotment Committee or any other Committee of the Board attended by them.

Director	**No. of Board Meetings attended**	**No. of Committee meetings attended**	**Total**	**Amount of sitting fees paid ₹**
Mr. M.N. Mehta, Chairman	4	-	4	2,00,000
Mr. M. L. Tandon	3	3	6	4,00,000
Mr. S. V. S. Raghavan	2	3	5	3,00,000
Mr. P. K. Behl*	4	5	9	5,00,000
Mr. Bimal Thakkar	4	5	9	4,90,000
Mr. Hemnabh Khatau	4	-	4	2,00,000
Mr. Venkatesh Mysore	3	4	7	2,70,000
Ms. Juhi Chawla Mehta	4	1	5	2,20,000
Mr. M.N. Rao	4	5	9	4,70,000
Mr. K. N. Bhandari	3	1	4	2,50,000
Mr. Y.K.Vyas, GIIC Nominee	1	-	1	50,000
Mrs. Bhagyam Ramani	4	-	4	2,70,000
Mr. Ashwani Kumar#	1	-	1	50,000
Total				**36,70,000**

* Mr. P. K. Behl ceased to be the Director of the company w.e.f 8.3.2019.

Mr. Ashwani Kumar was appointed on the Board w.e.f. 12.2.2019.

6. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

The Committee consist of following Directors viz. Mr. Jay Mehta, Mr. Venkatesh Mysore, Mr. M. S. Gilotra. Mr. M. N. Rao was appointed as Member of the Committee w.e.f. 2.11.2018. Mr. Venkatesh Mysore is the Chairman of the Committee. Mr. V. R. Mohnot, CFO & Company Secretary is designated as the Compliance Officer who overseas the redressal of the investor grievances.

During the year under review, the Committee had four meetings. The meetings were held on 31st day of May 2018, 16th day of August, 2018, 2nd day of November 2018 and 12th day of February 2019.

Members of Stakeholders Relationship & Grievances Committee	No. of Meetings held	No. of Meetings attended
Mr. Jay Mehta, Executive Vice Chairman	4	3
Mr. M. S. Gilotra, Managing Director	4	4
Mr. Venkatesh Mysore, Director	4	4
Mr. M. N. Rao, Director	1	1

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.
8	8	Nil

The approved minutes of the Stakeholders Relationship & Grievance Committee are noted by the Board of Directors at the subsequent Board Meeting.

Terms of Reference

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.

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.

7. ALLOTMENT COMMITTEE

The Committee has been constituted for allotment and post-allotment activities of Company's shares. The scope of work of this committee is to approve allotment, issue of certificate / Letter of allotment, offer letter, information memorandum.

During the year under review, the Committee had one meeting which was held on 25.3.2019.

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

Members of Allotment Committee	No. of Meetings held	No. of Meetings attended
Mr. Bimal Thakkar, Non-Executive, Independent Director	1	1
Mr. M. S. Gilotra, Managing Director	1	1
Mr. Venkatesh Mysore, Director	1	1
Mrs. Bhagyam Ramani Non-Executive, Independent Director	1	1

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

Terms of Reference

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.

d) To issued and allot ESOP under the Regulation of Gujarat Sidhee Employees Stock Option Scheme 2017.

8. *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 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, 2015 (as amended in December 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	Gujarat Sidhee Cement Limited 2nd Floor, N. K. Mehta International House, 178, Backbay Reclamation, Mumbai 400 020.	022-66365444

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

9. *GENERAL BODY MEETINGS:*

(i) Annual General Meetings

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

Financial Year	Date	Time	Venue	Dividend declared
2017-18	13.08.2018	10.00 a.m.	Registered office of the Company	Nil
2016-17	25.07.2017	10.00 a.m.	Registered Office of the Company	Nil
2015-16	23.08.2016	10.00 a.m.	Registered Office of the Company	Nil

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
2017-18	13.8.2018	1. 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. 2. 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 1st April 2019 to 31st March 2024. 3. Re-appointment of Mr. M. L. Tandon (DIN: 00078923) 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
		4. 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, 2024. 5. 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 31st May 2019 to 30th May, 2024. 6. 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 31st May, 2019 to 30th May, 2024. 7. 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. 8. Payment of Remuneration to Mr. Jay Mehta (DIN: 00152072), Executive Vice Chairman from 1st January 2019 till 31st December 2020. 9. Payment of Remuneration to Mr. M. S. Gilotra (DIN: 00152190), (Managing Director) from 1st January 2019 till 31st December 2020. 10. Approval for Overall Managerial Remuneration payable to Directors including Executive Vice Chairman and Managing Director. 11. 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. 12. 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. 13. Approval for Continuation of holding of office by Mr. M. L. Tandon (DIN: 00078923) as a Non-Executive Independent Director of the Company beyond the age of 75 years. 14. 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. 15. 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	25.7.2017	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 Gujarat Sidhee Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS" 2017) and authorizing the Board of Directors to grant 8615385 (Eighty six lakhs fifteen thousand three hundred eighty five) 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.
2015-16	23.08.2016	1. Approval of Members was sought that in case of default by the Company, SREI Infrastructure Limited shall have an option to convert the defaulted loan amount into equity shares of the Company, at any point of time during the currency of the loan at valuation as per terms of the agreement subject to the then prevailing SEBI guidelines / Regulations / relevant provisions under Companies Act, 2013.

No resolutions were put for voting through postal ballot.

(ii) Extraordinary General Meetings:

No Extraordinary General Meeting was held during the year.

(iii) Special Resolutions:

As stated above.

10. *DISCLOSURES:*

a) 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. 38 of Notes forming part of financial statements.

b) Penalties & Strictures:

i) There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

c) Related Party Transactions:

The details of all transactions with related parties are placed before the Audit Committee and Board. 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://gscl.mehtagroup.com/policy/related-party-transactions-policy.

d) 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.

e) Disclosure on Risk Management:

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

f) Code of Conduct:

The Board has formulated a Model Code of Conduct for the Board Members and Senior Management of the Company. The Board members and senior management personnel have affirmed their compliance with the code and a declaration signed by them was placed before the Board. A declaration by the Managing Director to the effect that the Board of Directors and the senior management has complied with the Code of conduct forms part of this report.

g) CEO/CFO Certification:

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

h) Policy for preservation of documents:

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

i) 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://gscl.mehtagroup.com/policy/scl_policy-for-determination-of-event.

j) 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://gscl.mehtagroup.com/policy/material-subsidiary-policy.

k) Code of Conduct for Prohibition of Insider Trading:

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

l) 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://gscl.mehtagroup.com/policy/policy-and-procedure-for-enquiry-in-case-of-leak-of-upsi

m) 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://gscl.mehtagroup.com/policy/policy-and-procedure-for-sharing-of-upsi-for legitimate purpose

n) 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. The said policy is available at web-link http://gscl.mehtagroup.com/policy/policy-on-sexual-harassment

11. *MEANS OF COMMUNICATION:*

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These results are published in Jaihind in Rajkot and in Business Standard, in Ahmedabad and Mumbai. The Company has not sent the reports 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://gscl.mehtagroup.com/investors/financials and Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI.

12. *GENERAL SHAREHOLDERS INFORMATION:*

i)	Board Meeting for considering Audited results for the current Financial Year ended 31st March 2019.	24th May 2019	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2018) Quarter II (ending 30.9.2018) Quarter III (ending 31.12.2018) Quarter IV (ending 31.3.2019)	Within the period as stipulated under the SEBI Regulations 2015
iii)	Annual General Meeting is proposed to be held	Thursday the 22nd August 2019	
iv)	Date of Book closure	Thursday the 8th August 2019 to Thursday the 22nd August, 2019 (both days inclusive)	

v) Listing of Equity Shares on Stock Exchange at:

S. No.	**Name(s) of the Stock Exchange**	**Stock Code**
a)	The Bombay Stock Exchange Limited (BSE Ltd) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001.	518029 Demat ISIN No.INE542A01039
b)	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400 051.	GSCLCEMENT

vi) Listing Fees:

The Company has paid Listing Fees for the Financial Year 2019-20 to the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd (NSE), where the Company's shares are listed.

vii) Registrar & Share Transfer Agent:

The Company has appointed "M/s. Link Intime India Pvt Ltd." as Registrar and Share Transfer Agent for transfer of physical shares and connectivity lines for demat of shares. The Registrar also accepts and attends to complaints of Investors. Investors complaints are given top priority by them and are replied promptly.

No complaint received from the shareholders / investors is pending as on 31.3.2019 relating to transfer of shares.

viii) Share Transfer System:

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

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

ix) Distribution of Shareholding as on 31.3.2019:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	51911	91.48	5267452	6.06
501 – 1000	2218	3.91	1786776	2.06
1001 – 2000	1218	2.15	1813291	2.09
2001 – 3000	476	0.84	1203100	1.38
3001 – 4000	198	0.35	712786	0.82
4001 - 5000	191	0.33	906451	1.04
5001 - 10000	281	0.49	2106164	2.42
10001 – above	255	0.45	73116740	84.13
Total	**56748**	**100.00**	**86912760**	**100.00**

x) Shareholders Profile as on 31.3.2019:

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	16	0.03	61890601	71.21
Bodies Corporate	420	0.74	3637990	4.19
NRIs	517	0.91	305208	0.35
FIIs	11	0.02	23175	0.03
Financial Institutions	1	-	275	-
Banks	7	0.01	88212	0.10
Mutual Fund	7	0.01	31256	0.04
Overseas Corporate Bodies	2	-	8550	0.01
Indian Public	55767	98.28	20927493	24.07
Total	**56748**	**100.00**	**86912760**	**100.00**

xi) Dematerialization of shares:

As on 31.3.2019, 8,56,80,709 equity shares constituting 98.58% of the Company's total paid-up share capital were held in dematerialized form with NSDL and CDSL.

xii) Outstanding GDR or Warrants or any Convertible Instruments, Convertible Debentures etc.

The Company's capital comprises only of Equity shares and the Company does not have any outstanding ADRs, GDRs, Warrants or any Convertible instruments. No stock option has been issued by the Company.

xiii) Stock Market price data for the period 2018 – 2019:

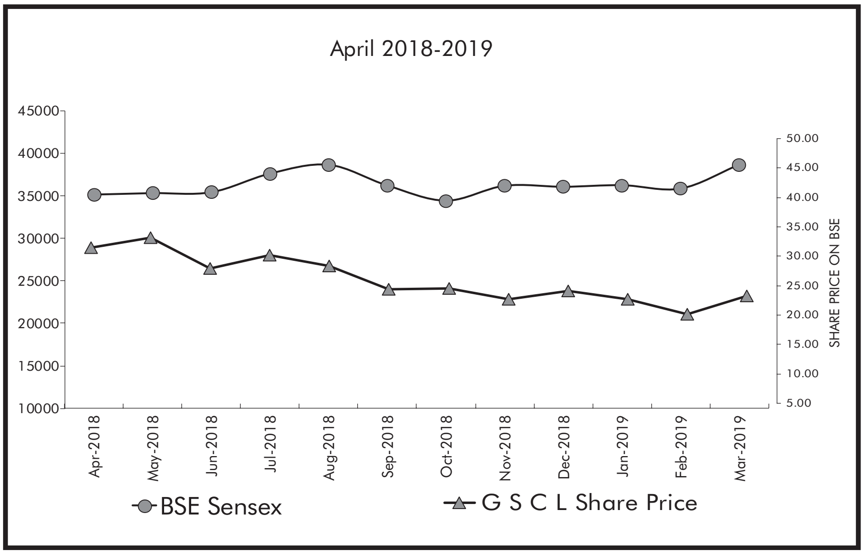
GSCL Price on BSE & NSE

(Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2018	31.80	27.50	31.90	27.00
May 2018	37.50	27.25	37.40	28.10
June 2018	34.10	26.55	34.00	26.35
July 2018	32.45	26.35	32.50	26.15
August 2018	31.60	27.80	31.55	27.50
September 2018	28.90	23.90	28.90	22.45
October 2018	25.55	23.00	25.85	22.60
November 2018	26.40	22.65	26.40	22.20
December 2018	26.95	21.40	27.00	21.05
January 2019	25.35	21.15	25.85	21.05
February 2019	23.75	19.10	24.20	19.00
March 2019	24.45	20.45	24.40	20.05

xiv) Stock Performance (Index)

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



Plant Location:

At Sidheegram, PO Prashnavada BO, Via Sutrapada SO Taluka, Dist: Gir Somnath, Sidheegram, Gujarat - 362275

(xv) Address for correspondence :

1. Registered Office :

At Sidheegram, PO Prashnavada BO
Via Sutrapada SO Taluka,
Dist: Gir Somnath, Sidheegram,
Gujarat - 362275

2. Corporate Office :
Share Department:
N. K. Mehta International House, 2nd Floor,
178 Backbay Reclamation,
Mumbai 400 020.
E-mail id : sidhee-mum@mehtagroup.com

Shareholder correspondence should be addressed to Registrars & Transfer Agent :
M/s. Link Intime India Pvt Ltd
(Unit) Gujarat Sidhee Cement Ltd.
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai 400 083 Tel.: 022-49186000, Fax: 022-49186060
E-mail: mumbai@linkintime.co.in
Contact Person : Mr. Sharad Patkar

A separate E-mail ID : gsclinvestorquery@mehtagroup.com has been created specifically for investor query / complaints.

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

xvi) Mandatory requirement of PAN:

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

13. OTHER DISCLOSURES

(a) 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 K**.

(b) 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 Directors 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 this Report as **Annexure G**.

(c) Secretarial Compliance Report

The Company has received Secretarial Compliance Report for the year ended 31st March 2019 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 forms part of the Directors Report as **Annexure L**.

(d) 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 recommendations from the Committees.

(e) Total fees for all 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 to the Statutory Auditors is ₹ 18.52 lakhs.

(f) Disclosures with respect to demat suspense account / unclaimed suspense account.

(1) 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 including the year 2018- 19.

14. DISCRETIONARY 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 Financial 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 2019 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". CFO & Company Secretary of the Company is the "Compliance Officer". The Code of Conduct is applicable to all the Directors and designated employees.

(g) Subsidiary Company:

The Company has material non listed Indian Subsidiary Company as on 31.3.2019 namely M/s.Villa Trading Co. Private Limited. The Company has appointed Mr. Bimal Thakkar, an Independent Director on the Board of subsidiary company.

On behalf of the Board of Directors

	M. S. Gilotra	**Jay Mehta**
Place : Mumbai	Managing Director	Executive Vice Chairman
Dated : 24th May, 2019	(DIN: 00152190)	(DIN: 00152072)

Declaration of Compliance with the code of conduct

As provided under Securities and Exchange Board of India (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, 2019.

On behalf of the Board of Directors

	M. S. Gilotra	**Jay Mehta**
Place : Mumbai	Managing Director	Executive Vice Chairman
Dated : 24th May, 2019	(DIN: 00152190)	(DIN: 00152072)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
GUJARAT SIDHEE CEMENT LIMITED

1. We, Bansi S. Mehta & Co. Chartered Accountants, the Statutory Auditors of **GUJARAT SIDHEE CEMENT LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring 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 purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards 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 Purpose 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.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

PARESH H. CLERK
Partner
Membership No. 36148
UDIN: 19036148AAAAAJ4386

Place: Mumbai
Date: May 24, 2019

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 the 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

Saurashtra Cement Limited – Associate Company.

(b) Nature of contracts/arrangements/transactions

a. Sale / Purchase 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 arms 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 2018

(f) Amount paid as advances, if any.

NIL

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

On behalf of the Board of Directors

	M. S. Gilotra	**Jay Mehta**
Place : Mumbai	Managing Director	Executive Vice Chairman
Dated : 24th May, 2019	(DIN: 00152190)	(DIN: 00152072)

ANNEXURE E

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 10th February 2015. The same is available on the website of the Company at http://gscl.mehtagroup.com/policy/csr-policy
2.	Composition of CSR Committee	Mr. Jay Mehta, Executive Vice Chairman Mr. M. S. Gilotra, Managing Director Mrs. Juhi Chawla Mehta, Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	N.A. as the Company incurred losses in F.Y. 2015-16, 2016-17 and 2017-18.
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	In accordance with Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities for the Financial Year 2018-19 due to loss during F.Y. 2016-17 and 2017-18. However, as a good corporate governance practice, the company has carried out following CSR activities during FY 2018-19. 1. Health Care and Blood Donation Camp. 2. Plantation and Environment awareness in nearby villages. 3. Drinking water to nearby villages.
5.	Details of CSR spent during the financial year	Not Applicable
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.	Not Applicable
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.

For and on behalf of the Board

Jay Mehta
Executive Vice Chairman &
Chairman of the CSR Committee

Date : 24th May, 2019

ANNEXURE F

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. Venkatesh Mysore	Mr. Ashwani Kumar	Mr. M. N. Sarma
Date of Birth	30th December, 1958	28th February 1958	20th May 1958
Date of Appointment	Initially joined the Board in October 2010 and was reappointed in current term on 25th May, 2017	He joined the Board on 12th February 2019.	His appointment will be from 26th May, 2019
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance.	A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years 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 Associate Member of the Insurance Institute of India. Mr. M. N. Sarma has experience in insurance sector of around 36 years serving in New India Assurance Company Ltd, Oriental Insurance Company Limited, The Ken India Assurance Company Ltd, Nairobi and Government of India owned Health Insurance TPA of India Limited. He retired as Chairman-cum-Managing Director of United India Insurance Company Ltd.
Qualification	MBA in Marketing & Finance, Madras University	Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers.	M.A. (Economics), LL.B
List of outside Directorships held (Public Limited Companies)	1. Oberoi Realty Limited. 2. Oberoi Constructions Limited	1. Saurashtra Cement Limited. 2. Srei Equipment Finance Limited. 3. IDBI Capital Market and Security Limited	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	Mr. Mysore is the Chairman of Stakeholders Relationship & Grievances Committee and Member of Allotment Committee.	Member of Nomination & Remuneration 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	Nil	Nil
b) Shareholders Committee	Nil	Nil	Nil
Shares held by the Directors in the Company	Nil	Nil	Nil

ANNEXURE - G

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
GUJARAT SIDHEE CEMENT LIMITED
At Sidheegram, PO Prashnawada BO
Via Sutrapada SO Taluka,
Dist Gir Somnath Sidheegram Junagadh - 362275

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GUJARAT SIDHEE CEMENT LIMITED** having **CIN L26940GJ1973PLC002245** and having registered office at **AT SIDHEEGRAM, PO PRASHNAWADA BO VIA SUTRAPADA SO TALUKA, DIST GIR SOMNATH SIDHEEGRAM JUNAGADH - 362275** (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of 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 us by the Company & its officers, 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, 2019 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	KAILASH NATH BHANDARI	00026078	31/05/2014
2	MUTTAVARAPU NAGESWARA RAO	00027131	31/05/2014
3	MANOHARLAL TANDON	00078923	08/07/1987
4	BIMAL RAMESH THAKKAR	00087404	25/10/2008
5	BHAGYAM RAMANI	00107097	31/05/2014
6	SRIRANGARAJAPURAM VENKATARAMA IYENGAR SRINIVASA RAGHAVAN	00111019	30/04/1992
7	JAY MAHENDRA MEHTA	00152072	30/04/1992
8	MOHINDERPAL SINGH GILOTRA	00152190	11/12/1998
9	JUHI DESRAJ CHAWLA	00161706	31/05/2014
10	MAHENDRA NANJIBHAI MEHTA	00632865	07/12/1984
11	VENKATESH SATYARAJ MYSORE	01401447	29/10/2010
12	HEMNABH RANVIR KHATAU	02390064	25/10/2008
13	ASHWANI KUMAR	02870681	12/02/2019
14	YOGESH KISHORCHANDRA VYAS	03420201	10/02/2015

Ensuring the eligibility of 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

Date: 20.05.2019
FCS NO. 2390
Place: Mumbai

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 01-04-2018 TO 31-03-2019

To,
The Members,
GUJARAT SIDHEE CEMENT LIMITED
At Sidheegram, PO Prashnawada
BO Via Sutrapada SO Taluka, Dist Gir Somnath
Sidheegram Junagadh GJ 362275.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT SIDHEE CEMENT LIMITED (CIN: L26940GJ1973PLC002245)** (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 **GUJARAT SIDHEE 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, 2018 to 31st March, 2019** 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 **GUJARAT SIDHEE CEMENT LIMITED** ("the Company") for the audit period **1st April, 2018 to 31st March, 2019** according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulation made there under to the 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. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **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. Mines and Minerals (Development and Regulation) Act, 1957
4. Cement Cess Rule, 1993
5. Cement(Quality Control) Order 2003
6. Bureau of Indian Standards Rules, 1987
7. Labour Laws and other incidental laws;
8. Environment Protection Act, 1986 and other Environmental Laws;
9. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
10. Indian Contract Act, 1872;
11. Minimum Wages Act, 1948;
12. Negotiable Instruments Act, 1881;
13. The Trade Marks Act 1999;
14. The Legal metrology Act, 2009;

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:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreement entered into by the Company with Stock Exchanges as specified in the Securities and Exchange 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

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 were took place in Independent Directors of the Company

1. Appointment of Mr. Ashwani Kumar (DIN: 02870681) as an Additional Independent Director of the Company with effect from 12th February, 2019.
2. Vacation of office of Mr. Pawan Kumar Behl (DIN: 00653859) as an Independent Director of the Company with effect from 08th March, 2019.

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 758908 Equity Shares at the face value of Rs. 10/- each on March 25, 2019 to employees eligible under "Gujarat Sidhee Employee Stock Option Scheme 2017" pursuant to the options exercised by them. These shares being fully paid, shall rank pari passu with existing shares.

For **Ragini Chokshi & Co.**

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

Place: Mumbai
Date: 02-05-2019

ANNEXURE I

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 for impact on Conservation of Energy.

1. Installed new Bag House in place of ESPs in Cement Mill No. 1 & 2 (to reduce the dust emission level from 100 mg/Nm3 to less than 30 mg/Nm^3.
2. Installation of 3 phase transformer in place of single phase to reduce the dust emission level to meet new environment norms.

b) Steps taken by the Company for utilizing alternate sources of energy

1. Continuous effort to use maximum AFR (Hazardous Liquide Fuel) during financial year 507 MT AFR used.
2. Agreement signed for 2 MW wind power and shall be started by June, 2019.

c) The capital investment on energy conservation equipment:

1. Procurement of X-Ray Analyzer Machine for quick and reliable raw material and cement testing.

Capital invested for items (a) and (c) above during the year was ₹ 175.60 lakhs.

B. TECHNOLOGY ABSORPTION:

a. Efforts made towards technology absorption

Utilization of alternate sources of energy like wind, solar energy and waste heat recovery.

b. Benefits derived like production improvement, cost reduction, product development or import substitution

1. Reduction in Specific Energy Consumption
2. Reduction in Dust emission in Cement Mill No. 1 & 2 and Cooler

c. In case of imported technology (imported during the last three years reckoned from beginning of the financial year)

1. Changed old PLC based system for Plant operation to new generation DCS System of ABB (Switzerland) in 2018-19.

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

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2018-19 (₹ in lacs)	Previous Year 2017-18 (₹ in lacs)
Foreign Exchange earned	**Nil**	Nil
Foreign Exchange used	**10,360.08**	7,193.62

ANNEXURE J

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 2018-2019	521841
Percentage increase in the median remuneration of employees in the Financial Year	12.53% @
Number of permanent employees on the rolls of the Company as on 31st March 2019	407

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2018-2019
Executive Director		
Mr. Jay Mehta, Executive Vice Chairman	32.74 : 1	(*)
Mr. M. S. Gilotra, Managing Director	47.15 : 1	(#) & (@)
Other KMPs		
Mr. V. R. Mohnot, CFO & Company Secretary	32 : 1	4.37% @

(a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April 2018 to 31st March 2019.

(*) 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 2018-19 is 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 7.66%. 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 K

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:

Options granted during the year	Nil
Options vested during the year (1st vesting option date 8th February, 2019)	12,03,767
Options Exercised (8th February, 2019 to 31st March, 2019)	7,58,908
Total number of shares arising as a result of exercise of option	7,58,908
Options Lapsed	Nil
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	₹ 75,89,080/-
Total no. of options in force	Options in force: Options granted less Options against which allotment is done i.e. 36,47,779 – 7,58,908 = 28,88,871

Employee wise details granted to :

Key Managerial Personnel

Name	**Designation**	**No. of Options vested**	**No.of options exercised**	**No of shares allotted**
M. S. Gilotra	Managing Director	1,42,154	50,000	50,000
V. R. Mohnot	CFO & Company Secretary	2,35,651	2,35,651	2,35,651
Dinesh Randad	Director (Works)	94,055	94,055	94,055

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 entire amount of ₹ 75,89,080/- received towards allotment of shares to the eligible employees under Gujarat Sidhee Employee Stock Option Scheme 2017 towards working capital of the Company.

ANNEXURE - L

SECRETARIAL COMPLIANCE REPORT

of GUJARAT SIDHEE CEMENT LIMITED for the year ended March 31, 2019

[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 **GUJARAT SIDHEE 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, 2019 ("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 India ("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 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 during the Audit Period)

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

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable 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 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
Not Applicable 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	Detailsof violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary,if any.
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.**
(Company Secretaries)

Ragini Chokshi
(Partner)
C.P.NO. 1436
FCS NO. 2390

Place: Mumbai
Date: 30-04-2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Sidhee Cement Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Sidhee Cement Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ''the standalone financial statements'').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended("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, 2019, its loss and total comprehensive income, the 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 specified under Section 143(10) of the Act (SAs). 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 judgement, 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, for the year ended March 31, 2019 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 key audit matters to be communicated in our report:

The Key Audit Matter	How was the matter addressed in our audit
Rebates, Discounts and Incentives The Company sells its products through various channels such as dealers and commission agents (customers) and provide various rebates, discounts and incentives payable to them under various marketing schemes. Revenue is recognised net of rebates, discounts and incentives based on the arrangement with customers. Rebates, discounts and incentives to customers are administered through various schemes. Amounts involved for such rebates, etc. are material items voluminous and complex, and also involves significant judgement and estimates. The value of rebates, discounts and incentives together with the level of judgement involved make its accounting treatment a key audit matter. [Refer Notes 1.10 and 25 to the standalone financial statements.]	Our audit procedures included the following: • Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue and tested the operating effectiveness of such controls. • Tested the inputs used in the estimation of revenue in context of incentives and selecting samples of revenue transactions and circulars to re-check that rebates, discounts and schemes, incentives were calculated in accordance with the eligibility criteria mentioned in the scheme circular. • Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. • Review of inputs used in calculating the amount and in some cases, re-performed the calculation. • Verification of appropriate authorisation. • Analysed past trends by comparing actuals with the estimates of earlier periods. • Assessed the disclosures rebates, discounts and incentives in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers",

The Key Audit Matter	How was the matter addressed in our audit
Recognition of Deferred Tax Assets ("DTA") – MAT Credit Entitlement, Unabsorbed Depreciation and Business Losses The Company has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflect the same as DTA. The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profit will be available against which such tax credits can be utilised. The Company has recognised DTA in earlier years on unabsorbed depreciation and carried forward business losses as also recognised DTA on unabsorbed depreciation and business loss for the year. Such recognition of DTA is a key audit matter as the determination that it is probable that future taxable will be available, that is, the recoverability of such tax credits within the allowed time frame, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company. [Refer Notes 18 and 33 to standalone financial statements]	Our audit procedures included the following: • Considered the Company's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on "Income Taxes". • Evaluated the Company's tax positions by comparing it with prior years and past precedents. • Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Company will have sufficient taxable income against which the tax credits will be utilised. • Discussed with the management the future business plans and financial projections on which the estimate of profitability is made. • Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. • Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".

Uncertain tax positions **Direct and Indirect Taxes** The Company has uncertain tax matters pending litigations under direct tax and 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. These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. [Refer Notes 22 and 34 to the standalone financial statements.]	Our audit procedures include the following: • Obtained details of uncertain tax position and gained understanding thereof. • Obtained details of tax assessments and also demands raised. • Read and analysed relevant communication with the authorities and legal consultants. • Considered the legal advice obtained by the management on possible outcome of the litigation. • Discussed with senior management and evaluated management's assumptions regarding provisions made. • Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".

Information Other than the Standalone 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, Management Discussion and Analysis, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 standalone 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 standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone 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 (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and notes to the Standalone Financial Statements 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 Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015, as amended;

   e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   f. With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

   g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

   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 34 to the standalone financial statements;

      ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : Mumbai
DATE : May 24, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 (f) under the heading of 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date on the Standalone Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Gujarat Sidhee Cement Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that

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

b. 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

c. 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : Mumbai
DATE : May 24, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report of even date on the Standalone Financial Statements for the year ended March 31, 2019.

Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Gujarat Sidhee Cement Limited ("the Company"):

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").

b. PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, a material portion of the items of PPE have been verified by the management during the year, and 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, as included in Note 2 to the standalone financial statements, are held in the name of the Company.

ii. Inventories other than stocks-in-transit have been physically verified by the management during the year. For stocks-in-transit at the year-end, the necessary documentary evidences have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, reporting requirements as per the provisions of Clause 3(iii) [(a) to (c)] of the Order are not applicable to 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 a 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of cement manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities. There are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.

b. According to the information and explanations given to us and on the basis of the books and records of the Company examined by us, as may be applicable, given herein below are the details of dues of Sales-tax, Duty of Customs, Duty of Excise, Value Added Tax, which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Forum where the dispute is pending	Nature of Dues	Period to which amount relates	Amounts (₹ in lacs)
Customs Act, 1962	Customs, Excise and Service Tax Appellate Tribunal	Customs Duty	1995-96	35.85
	Customs, Excise and Service Tax Appellate Tribunal	Customs Duty and Penalty	2012-13	420.59 (*42.62)

Name of the Statute	Forum where the dispute is pending	Nature of Dues	Period to which amount relates	Amounts (₹ in lacs)
Central Excise Act, 1944	Customs, Excise and Service Tax Appellate Tribunal	Excise Duty	1992-93	36.72
	Customs, Excise and Service Tax Appellate Tribunal	Excise Duty and Penalty	2008-09 to 2016-17	3253.91 (*115.94)
	Ass. Commissioner, Central Excise	Excise Duty and Penalty	2009-10 and 2010-11	464.89
	Commissioner, Central Excise	Excise Duty and Penalty	2013-14	5.85 (*1.11)
Central Excise / CENVAT Credit Rules, 2004	Customs, Excise and Service Tax Appellate Tribunal	Service Tax and Penalty	2012-13 and 2013-14	138.36 (*5.37)
Rajasthan Sales Tax Act, 1994	Rajasthan High Court	Sales Tax and Penalty	1996-97	24.73
Gujarat Sales Tax Act, 1969	Joint Commissioner (A), Rajkot	Sales Tax, Interest and Penalty	2002-03 to 2004-05	121.21 (*37.61)
Gujarat Value Added Tax Act, 2003	Joint Commissioner (A), Rajkot	Value Added Tax, Interest and Penalty	2006-07 and 2007-08	321.88 (*54.23)
Maharashtra Value Added Tax Act, 2002	Joint Commissioner (A), Mumbai	Value Added Tax and Interest	2009-10	3.22

* indicates amount deposited or paid under protest.

viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not taken any loan or borrowing from Government and has not issued any debenture during the year.

ix. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration during the financial year 2018-19 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. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Date : May 24, 2019

BALANCE SHEET AS AT MARCH 31, 2019

	Note	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	**41,841.66**	41,577.45
(b) Capital Work-in-progress	2	**7.22**	573.15
(c) Other Intangible Assets	2	**12.89**	5.44
(d) Financial Assets			
i. Investments	3	**7,904.03**	7,904.05
ii. Loans	4	**656.38**	730.68
iii. Other Financial Assets	5	**1.54**	772.55
(e) Other Non-Current Assets	6	**532.62**	274.07
Sub-total		**50,956.34**	51,837.39
Current Assets			
(a) Inventories	7	**5,783.00**	4,590.66
(b) Financial Assets			
i. Trade Receivables	8	**1,362.49**	1,193.50
ii. Cash and Cash Equivalents	9	**248.35**	934.71
iii. Bank Balances other than ii. above	10	**4,407.70**	3,368.82
iv. Loans	11	**10.87**	13.96
v. Other Financial Assets	12	**195.00**	129.90
(c) Other Current Assets	13	**429.58**	499.56
Sub-total		**12,436.99**	10,731.11
Total Assets		**63,393.33**	62,568.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**8,696.58**	8,620.69
(b) Other Equity	15	**29,153.17**	29,384.80
Sub-total		**37,849.75**	38,005.49
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	16	**2,511.23**	3,259.15
(b) Provisions	17	**1,099.79**	1,069.55
(c) Deferred Tax Liabilities (Net)	18	**3,544.45**	4,147.09
Sub-total		**7,155.47**	8,475.79
Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	19	**2,151.42**	560.23
ii. Trade Payables	20		
- Total Outstanding dues of Micro enterprises and Small enterprises		**117.91**	40.49
- Total Outstanding dues of creditors other than Micro enterprises and Small enterprises		**8,488.55**	7,110.33
iii. Other Financial Liablities	21	**2,169.58**	2,424.85
(b) Other Current Liabilities	22	**5,170.08**	5,591.56
(c) Provisions	23	**290.57**	253.45
(d) Current Tax Liabilities (Net)	24	**-**	106.31
Sub-total		**18,388.11**	16,087.22
Total Equity and Liabilities		**63,393.33**	62,568.50
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 43		

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
S. V. S. Raghavan	Director
M. S. Gilotra	Managing Director
V. R. Mohnot	CFO & Company Secretary

Mumbai, Dated May 24, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		Note	**For the Year ended March 31, 2019 ₹ in lacs**	For the Year ended March 31, 2018 ₹ in lacs
I.	Revenue from Operations	25	**56,300.77**	55,455.99
II.	Other Income	26	**1,516.96**	1,151.33
III.	**Total Income (I+II)**		**57,817.73**	56,607.32
	Expenses			
	a. Cost of Materials Consumed	27	**9,877.67**	8,329.00
	b. Changes in inventories of Finished Goods and Work-in progress	28	**31.51**	834.37
	c. Excise Duty Expense		**-**	1,821.27
	d. Employee Benefits Expense	29	**4,137.87**	3,570.33
	e. Finance Costs	30	**660.57**	312.16
	f. Depreciation and Amortisation Expense	2	**978.82**	950.55
	g. Other Expenses	31	**43,386.51**	37,598.73
	Total Expenses (a to g)		**59,072.95**	53,416.41
V.	**Profit / (Loss) before Exceptional Items and Tax (III-IV)**		**(1,255.22)**	3,190.91
VI.	**Exceptional Items**		**-**	-
VII.	**Profit / (Loss) before Tax (V+VI)**		**(1,255.22)**	3,190.91
VIII.	**Tax Expense**	33		
	a. Current Tax		**-**	162.40
	b. (Excess) / Short Provision of Tax of Earlier Years		**21.18**	-
	c. Deferred Tax		**(579.37)**	(297.72)
	Total Tax Expense		**(558.19)**	(135.32)
IX.	**Profilt / (Loss) for the year (VII-VIII)**		**(697.03)**	3,326.23
X.	**Other Comprehensive Income (Net of Tax)**			
	Items that will not be reclassified to profit or loss			
	i. Remeasurement gain / (loss) on Defined Benefit Plan		**(66.62)**	13.78
	ii. Effect of measuring Equity Instruments at Fair Value		**(0.02)**	0.05
	iii. Income Tax on above		**23.28**	(4.82)
	Other Comprehensive Income for the year		**(43.36)**	9.01
XI.	**Total Comprehensive Income for the year (IX+X)**		**(740.39)**	3,335.24
	Earnings per Equity Share of ₹ 10 par value :			
	a. Basic (₹ per share)	42	**(0.81)**	3.86
	b. Diluted (₹ per share)	42	**(0.81)**	3.86
Significant Accounting Policies and Notes are an integral part of the Financial Statements		1 to 43		

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39
Add : Shares issued during the year on exercise of Employee Stock Options	**758,908**	**75.89**	-	-
Balance as at the end of the year	**86,912,760**	**8,691.28**	**86,153,852**	**8,615.39**
Add : Forfeited Shares		**5.30**		5.30
Total Equity Share Capital		**8,696.58**		8,620.69

B. Other Equity

(₹ in lacs)

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Share Options Outstanding	Retained Earnings		
Balance as at April 1, 2017	-	6,948.63	-	-	19,022.56	-	25,971.19
Profit for the year	-	-	-	-	3,326.23	-	3,326.23
Remeasurement gain on Defined Benefit Plan (net of tax)	-	-	-	-	8.96	-	8.96
Effect of measuring Equity Instruments at Fair Value	-	-	-	-	-	0.05	0.05
Total Comprehensive Income for the year	-	-	-	-	3,335.19	0.05	3,335.24
Share-based Payments to Employees	-	-	-	78.37	-	-	78.37
Balance as at March 31, 2018	-	6,948.63	-	78.37	22,357.75	0.05	29,384.80
Loss for the year	-	-	-	-	**(697.03)**	-	**(697.03)**
Remeasurement loss on Defined Benefit Plan (net of tax)	-	-	-	-	**(43.34)**	-	**(43.34)**
Effect of measuring Equity Instruments at Fair Value	-	-	-	-	-	**(0.02)**	**(0.02)**
Total Comprehensive Income for the year	-	-	-	-	**(740.37)**	**(0.02)**	**(740.39)**
Share Application Money received on exercise of Employee Stock Options, pending allotment	**0.10**	-	-	-	-	-	**0.10**
Share-based Payments to Employees	-	-	-	**508.66**	-	-	**508.66**
Exercise of Employee Stock Options	-	-	**183.35**	**(183.35)**	-	-	-
Balance as at March 31, 2019	**0.10**	**6,948.63**	**183.35**	**403.68**	**21,617.38**	**0.03**	**29,153.17**

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		For the Year ended March 31, 2019 ₹ in lacs	For the Year ended March 31, 2018 ₹ in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) Before Tax	**(1,255.22)**	3,190.91
	Adjustments for:		
	Depreciation and Amortisation Expense	**978.82**	950.55
	Finance Costs	**650.10**	312.16
	Interest Income	**(299.21)**	(284.73)
	Profit on Sale of Property, Plant & Equipment (Net)	**(4.45)**	(8.56)
	Fair Value Adjustments	**(38.53)**	3.58
	Share-based Payments to Employees	**508.66**	78.37
	Increase in Provision for Gratuity and Leave Encashment	**0.74**	120.49
	Bad Debts Written off	**-**	7.22
	Provision for Impairment of Security Deposits	**5.00**	-
	Provision no longer required Written back	**(47.84)**	(565.22)
	Sundry credit balances Written back	**(67.32)**	(16.72)
	Provision for Doubtful Debts / Advances Written back	**(1.80)**	(25.16)
	Operating Profit Before Working Capital Changes	**428.95**	3,762.89
	Adjustments for increase / decrease in:		
	Trade Receivables	**(167.19)**	(303.48)
	Long-term Loans and Other Non-Current Assets	**(1.15)**	123.47
	Short-term Loans and Other Current Assets	**81.39**	119.28
	Inventories	**(1,192.34)**	1,017.82
	Trade payables, Other Financial & Current Liabilities	**871.35**	(1,032.05)
	Cash generated from operations	**21.01**	3,687.93
	Income-tax (paid) / refund (Net)	**(295.13)**	(9.53)
	Net Cash Generated from / (Used in) Operating Activities	**(274.12)**	3,678.40
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	**(903.65)**	(4,579.35)
	Investment in Shares	**-**	(0.24)
	Proceeds from Sale of Property, Plant and Equipment	**215.72**	70.82
	Net Cash Used in Investing Activities	**(687.93)**	(4,508.77)

STATEMENT OF CASH FLOWS THE YEAR ENDED MARCH 31, 2019 (contd.)

	For the Year ended March 31, 2019 ₹ in lacs	For the Year ended March 31, 2018 ₹ in lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money received on exercise of Employee Stock Options	**75.99**	-
Proceeds from Long-term Borrowings	**30.24**	2,783.57
Repayment of Long-term Borrowings	**(821.16)**	(109.75)
Repayment of Short-term Borrowings (Net)	**1,591.19**	(887.47)
Deposits held as margin money (Net)	**(266.10)**	(443.54)
Finance Cost Paid	**(566.35)**	(248.08)
Interest Income Received	**231.88**	338.67
Net Cash Generated from Financing Activities	**275.69**	1,433.40
Net Increase / (Decrease) in Cash and Cash Equivalents	**(686.36)**	603.03
Cash and Cash Equivalents as at the beginning of the year	**934.71**	331.68
Cash and Cash Equivalents as at the end of the year (Refer Note 9)	**248.35**	934.71

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 :**

   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 financing 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 lacs

For the year ended March 31, 2019	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short-term Borrowings	**560.23**	**1,591.19**	-	**2,151.42**
Long-term Borrowings (including Current maturities)	**4,069.58**	**(790.92)**	-	**3,278.66**
Deposits held as margin money	**4,126.85**	**(266.10)**	-	**4,392.95**

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement in Capital Work-in-progress and Capital Advances.
4. Figures in bracket indicate Cash Outflow.

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information and Significant Accounting Policies

A Corporate Information

Gujarat Sidhee Cement Limited ("the Company") is engaged in the business of manufacturing and selling of Cement and Clinker.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Sidheegram, Gujarat, India. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The financial statements for the year ended March 31, 2019 are approved for issue by the Company's Board of Directors on May 24, 2019.

B Significant Accounting Policies

1.1 Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind ASs) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities:

i. Certain financial assets and liabilities that are measured at fair value.

ii. Employee's Defined Benefit Plan measured as per independent actuarial valuation.

iii. Share-based payments that are measured at fair value.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lacs (INR '00,000) upto two decimals, except when otherwise indicated.

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

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

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.

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.2 Property, Plant and Equipment (PPE)

An item of PPE is recognised as an asset when 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. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and / or accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy on borrowing costs.

If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.

Items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment" and are material.

Freehold land is carried at cost.

Mobile Phones costing less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

Capital Work-in-progress

Items of PPE which are not ready for intended use on the date of Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

1.3 Depreciation / Amortisation

Depreciation on Property, Plant and Equipment (other than Freehold / Leasehold Land and Capital Work-in-progress) 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 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 useful lives of items of Property, Plant and Equipment is mentioned below:

Particulars	**Years**
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)	3 - 40
Furniture & Fixtures	10
Vehicles	8
Computers (Other than Servers / Networks)	3
Computers – Servers / Networks	6
Office Equipment (Other than Mobile phones)	5
Mobile phones	3

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

Cost of Leasehold Land is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

Items of PPE costing up to ₹ 5,000/- are fully depreciated in the year of purchase / capitalisation.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.4 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis as per Schedule II to the Companies Act, 2013. Intangible assets being computer software are amortised over a period of three years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

1.5 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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 the 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.

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 impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash-generating unit. 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.

1.6 Inventories

Inventories are valued as follows:

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

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.

1.7 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit / (loss) for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

1.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. 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.

A Contingent liability is disclosed in case of a present obligation arising from past events, when 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. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

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

1.10 Revenue and Income Recognition

i. Revenue from Contracts with Customers

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.

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.

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

ii. 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.

iii. Income Recognition

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

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

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.11 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets acquired under finance leases are recognised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating Leases:

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight-line basis over the term of the relevant lease.

1.12 Employee Share-based Payments

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

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.

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.

The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share, unless it is anti-dilutive.

1.13 Employee benefits

i. Short-term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ii. Long-term employee benefits

a. Defined Contribution Plan:

Provident and Family Pension Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to Regional Provident Fund Commissioner, Rajkot, Gujarat. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Superannuation Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of Superannuation fund, in which the Company makes annual contribution at a specified percentage of the employee's eligible salary (currently 15%) subject to maximum of ₹ 1.50 lacs. The contributions are made to Life Insurance Corporation of India. Superannuation Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

b. Defined Benefit Plan:

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The Company pays these benefits as and when due based on its own liquidity.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI). Remeasurement is not reclassified to Statement of Profit and Loss in subsequent periods. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation.

Compensated absences:

The Company provides for encashment of absence or absence with pay subject to certain rules. The employees are entitled to accumulate absences subject to certain limits for future encashment / availment. The liability is recognised based on number of days of unutilised leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise.

1.14 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

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 generally 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. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.15 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the reporting period.

1.16 Foreign Currency Transactions

Transactions in foreign currencies (Monetary or Non-monetary items) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. 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.

1.17 Financial Instruments

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

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

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and transaction costs, other premiums or discounts, paid or received that form an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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.

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.

Derecognition of Financial Assets:

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.

Financial liabilities and equity instruments:

- **Classification as Debt or Equity:**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- **Equity Instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

  Equity instruments issued by a Company are recognised at the proceeds received.

Derecognition of Financial Liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.18 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgements:

The key assumptions concerning the future and other major 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:

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised based upon the likely timing and the level of future taxable profits. Also refer Note 33.

Property, Plant and Equipment/Intangible Assets:

Property, Plant and Equipment/Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of gratuity obligations and compensated absences are determined based on 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, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer Note 36.

Fair Value measurements 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 (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a

NOTES FORMING PART OF FINANCIAL STATEMENTS

degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables:

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.

Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future ouflow 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 account of changing facts and circumstances.

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, risk free rate 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.

1.19 Ind AS issued but not yet effective

On March 30, 2019, Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has issued the following new and amendments to Ind ASs and are effective from accounting periods beginning on or after April 1, 2019. The Company intends to adopt these standards, if applicable, from April 1, 2019.

Ind AS 116 – Leases

Ind AS 116 on "Leases" will replace the existing leases standard, Ind AS 17 on "Leases". The new standard sets out the principles of recognition, measurement, presentation and disclosure for both parties to a lease contract, i.e. the lessee and the lessor. The core principle of the new standard is that an entity should recognise most leases on its balance sheet. The new standard introduces a single lessee accounting model with limited exemptions and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. Further, the standard also requires the enhanced disclosures. Ind AS 116 substantially carries forward the lessor accounting requirements as in Ind AS 17.

The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors".
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application.

If a lessee elects to apply modified approach, the lessee shall not restate comparative information. Instead, the lessee shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The Company has evaluated the effect of this on its financial statements and the impact is not material.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ind AS 12 - Income Taxes

Appendix C, Uncertainty over Income Tax Treatments

This amendment is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, (1) the entity need to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which better predicts of the resolution of the uncertainty, (2) the entity is to assume that the taxation authority will have right to examine and have full knowledge of all related information when making those examinations, (3) entity has to consider whether it is probable that the taxation authority will accept the tax treatment and accordingly, determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

Consequences of Dividend

The amendment is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this amendment. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Ind AS 19 – Employee Benefits - Plan amendment, curtailment or settlement

The amendments require an entity:

- if a plan amendment, curtailment or settlement occurs, to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company will apply the pronouncement if and when plan amendment, curtailment or settlement occurs.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Investments in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 on "Financial Instruments", to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control/joint control of a business that is joint operation.

Ind AS 109 – Financial Instruments - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Land										
Freehold	26,040.15	**-**	**-**	**26,040.15**	-	**-**	**-**	**-**	**26,040.15**	26,040.15
Leasehold	304.39	**-**	**-**	**304.39**	57.57	**4.16**	**-**	**61.73**	**242.66**	246.82
Buildings	4,672.06	**469.82**	**-**	**5,141.88**	2,472.30	**82.65**	**-**	**2,554.95**	**2,586.93**	2,199.76
Plant and Equipment	26,080.57	**605.00**	**173.20**	**26,512.37**	14,377.48	**553.96**	**7.63**	**14,923.81**	**11,588.56**	11,703.09
Furniture and Fixtures	1,215.92	**251.98**	**-**	**1,467.90**	834.99	**89.61**	**-**	**924.60**	**543.30**	380.93
Vehicles	1,765.14	**62.42**	**157.63**	**1,669.93**	917.37	**178.17**	**112.13**	**983.41**	**686.52**	847.77
Computers	392.37	**16.25**	**-**	**408.62**	365.62	**13.73**	**-**	**379.35**	**29.27**	26.75
Office Equipment	688.10	**44.27**	**3.74**	**728.63**	555.92	**51.98**	**3.54**	**604.36**	**124.27**	132.18
Total	61,158.70	**1,449.74**	**334.57**	**62,273.87**	19,581.25	**974.26**	**123.30**	**20,432.21**	**41,841.66**	41,577.45

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Capital Work-in-progress	573.15	**336.40**	**902.33**	**7.22**	-	**-**	**-**	**-**	**7.22**	573.15

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Computer Software	106.86	**12.01**	**-**	**118.87**	101.42	**4.56**	**-**	**105.98**	**12.89**	5.44
Membership Fees	78.97	**-**	**-**	**78.97**	78.97	**-**	**-**	**78.97**	**-**	-
Total	185.83	**12.01**	**-**	**197.84**	180.39	**4.56**	**-**	**184.95**	**12.89**	5.44

Notes :

a. Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

b. Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

c. Plant and Equipment are pledged as security for Term Loan given by HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Land										
Freehold	26,040.15	-	-	26,040.15	-	-	-	-	26,040.15	26,040.15
Leasehold	288.39	16.00	-	304.39	52.40	5.17	-	57.57	246.82	235.99
Buildings	3,776.53	895.53	-	4,672.06	2,391.46	80.84	-	2,472.30	2,199.76	1,385.07
Plant and Equipment	20,332.93	5,747.64	-	26,080.57	13,928.77	448.71	-	14,377.48	11,703.09	6,404.16
Furniture and Fixtures	1,271.50	41.84	97.42	1,215.92	831.18	100.63	96.82	834.99	380.93	440.32
Vehicles	1,957.55	77.44	269.85	1,765.14	906.35	223.96	212.94	917.37	847.77	1,051.20
Computers	430.25	8.54	46.42	392.37	393.93	17.26	45.57	365.62	26.75	36.32
Office Equipment	808.76	17.82	138.48	688.10	631.34	59.16	134.58	555.92	132.18	177.42
Total	54,906.06	6,804.81	552.17	61,158.70	19,135.43	935.73	489.91	19,581.25	41,577.45	35,770.63

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Capital Work-in-progress	2,176.13	4,522.59	6,125.57	573.15	-	-	-	-	573.15	2,176.13

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Computer Software	102.63	4.23	-	106.86	91.52	9.90	-	101.42	5.44	11.11
Membership Fees	78.97	-	-	78.97	74.05	4.92	-	78.97	-	4.92
Total	181.60	4.23	-	185.83	165.57	14.82	-	180.39	5.44	16.03

Notes :

a. Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

b. Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

c. Plant and Equipment are pledged as security for Term Loan given by HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
3	**Investments : Non-current**		
	Investments measured at Cost		
	In Equity Instruments of Subsidiary		
	Unquoted		
	4,17,50,177 (Previous Year: 4,17,50,177) Equity Shares of Villa Trading Company Private Limited of ₹ 10 each (Refer Note 3.1)	**7,899.81**	7,899.81
	Investments measured at Amortised cost		
	In Government Certificates		
	Unquoted		
	6 Years National Savings Certificates (Maintained as security deposit with Government authorities)	**0.14**	0.14
	Investments measured at Fair Value through Other Comprehensive Income (FVTOCI)		
	In Equity Instruments of Others		
	Quoted		
	100 (Previous Year: 100) Equity Shares of Saurashtra Cement Limited of ₹ 10 each	**0.05**	0.07
	Unquoted		
	21,20,000 (Previous Year: 21,20,000) Equity Shares of Bhadreshwar Vidyut Private Limited (Formerly OPGS Power Gujarat Pvt. Ltd.) of ₹ 0.10 each	**4.03**	4.03
		7,904.03	7,904.05
	Aggregate amount of		
	Quoted Investments	**0.05**	0.07
	Unquoted Investments	**7,903.98**	7,903.98
	Impairment in value of Investments	**-**	-
		7,904.03	7,904.05
	Aggregate Market Value of Quoted Investments	**0.05**	0.07

3.1 Includes 3,74,33,155 (Previous Year: 3,74,33,155) Equity shares of ₹ 10 each issued on conversion of Optionally Convertible Debentures of Villa Trading Company Private Limited of ₹ 100 each.

3.2 Disclosure as required by the Regulations 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 186 (4) of the Companies Act, 2013 :

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
4,17,50,177 (Previous Year: 4,17,50,177) Equity Shares of Villa Trading Company Private Limited of ₹ 10 each	**7,899.81**	7,899.81

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
4	**Loans : Non-current**		
	Considered good - Unsecured		
	Security Deposits	**650.04**	718.11
	Staff Loans	**6.34**	12.57
		656.38	730.68
	Loan Receivables which have significant increase in credit risk	**-**	-
	Loan Receivables - credit impaired		
	Security Deposits	**5.00**	-
	Other Loans and advances	**323.92**	323.92
		985.30	1,054.60
	Less : Provision for Impairment	**328.92**	323.92
		656.38	730.68

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
5	**Other Financial Assets : Non-current**		
	Fixed Deposits with Bank maturing after 12 months		
	Held as Margin money against Guarantees	**0.67**	63.66
	Held as Security against Overdraft facilities (Refer Note 19)	**-**	706.49
	Others	**0.87**	2.40
		1.54	772.55

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
6	**Other Non-current assets**		
	Capital Advances	**39.53**	31.70
	Advances other than Capital Advances		
	Taxes paid	**313.00**	145.36
	Pre-deposit with Government Authorities against Appeals	**165.61**	95.44
	Prepaid Expenses	**14.48**	1.57
		532.62	274.07

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
7	**Inventories**		
	Raw Materials	**476.56**	223.46
	Raw Materials-in-transit	**8.47**	30.93
	Packing Materials	**71.99**	92.25
	Work-in-progress	**1,432.32**	1,719.74
	Finished goods	**411.12**	155.21
	Stores and Spares	**1,130.33**	1,011.98
	Stores and Spares-in-transit	**26.68**	2.37
	Fuel	**354.03**	502.80
	Fuel-in-transit	**1,871.50**	851.92
		5,783.00	4,590.66

7.1 The cost of inventories recognised as an expense during the year is ₹ 7,000.88 Lacs (Previous Year ₹ 5,936.42 Lacs) as included in Notes 27 and 28.

7.2 There has been no write down of inventory or reversal of such write down in current and previous year.

7.3 For mode of valuation of inventories : Refer Note 1.6

7.4 Inventories are pledged as security for Term Loan given by HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
8	**Trade Receivables**		
	Considered good - Unsecured		
	Amount Receivable from a Related Party [(Refer Note 38.2(B)(ii)]	**65.28**	43.39
	Others	**1,297.21**	1,150.11
		1,362.49	1,193.50
	Trade Receivables - credit impaired	**23.07**	23.07
		1,385.56	1,216.57
	Less : Provision for Impairment	**23.07**	23.07
		1,362.49	1,193.50

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
9	**Cash and Cash Equivalents**		
	Balances with Banks in Current Accounts	**248.35**	934.71
		248.35	934.71

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
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	**891.80**	499.06
	Held as Security against Overdraft facilities (Refer Note 19)	**3,373.92**	2,848.36
	Others	**125.69**	6.88
		4,391.41	3,354.30
	Earmarked Balances		
	For Unpaid Equity Dividend	**16.08**	14.33
	For Money received on sale of fractional shares	**0.21**	0.19
		16.29	14.52
		4,407.70	3,368.82

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
11	**Loans : Current**		
	Considered good - Unsecured		
	Staff Loans	**10.87**	13.96
		10.87	13.96

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
12	**Other Financial Assets : Current**		
	Interest Accrued on Fixed Deposits	**195.00**	129.90
		195.00	129.90

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
13 Other Current Assets		
Considered good - Unsecured		
Advances against purchase of Stores and Spares	**42.92**	153.17
Advance Royalty on Limestone / Marl	**152.64**	181.31
Balances with Statutory / Government Authorities	**55.95**	33.04
Prepaid Expenses	**112.58**	78.01
Others	**65.49**	54.03
	429.58	499.56
Considered Doubtful		
Advance against purchase of Stores and Spares	**2.44**	4.24
	432.02	503.80
Less : Provision for Doubtful advances	**2.44**	4.24
	429.58	499.56

	As at March 31, 2019 Numbers	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 Numbers	As at March 31, 2018 ₹ in lacs
14 Equity Share Capital				
a. Authorised :				
Equity Shares of ₹ 10 par value	**500,000,000**	**50,000.00**	500,000,000	**50,000.00**
b. Issued :				
Equity Shares of ₹ 10 par value	**144,816,075**	**14,481.61**	144,816,075	**14,481.61**
c. Subscribed :				
Equity Shares of ₹ 10 par value	**86,965,840**	**8,696.58**	86,206,932	**8,620.69**
d. Paid up :				
Equity Shares of ₹ 10 par value, fully paid up	**86,912,760**	**8,691.28**	86,153,852	**8,615.39**
Add : Forfeited Shares		**5.30**		**5.30**
		8,696.58		**8,620.69**

e. Rights, preferences and restrictions :

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 share is entitled to one vote per share.

ii. The Company declares and pays dividend in Indian rupees. 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 ensuing 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. However, no such preferential amounts exist currently.

iv. In respect of Share-based Payments to Employees, that is, granting of Employee Stock Options - Refer Note 40.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
f. Shares held by Holding Company :				
Bhadra Textiles and Trading Private Limited	**48,800,000**	**4,880.00**	48,800,000	4,880.00

g. Details of shares in the Company held by each shareholder holding more than 5 per cent shares :

S. No.	Name of the Shareholder	As at March 31, 2019 No. of Shares	As at March 31, 2019 % of share-holding	As at March 31, 2018 No. of Shares	As at March 31, 2018 % of share-holding
i.	Bhadra Textiles and Trading Private Limited	**48,800,000**	**56.15**	48,800,000	56.64
ii.	GIIC Limited	**8,252,697**	**9.50**	8,252,697	9.58

h. Reconciliation of number of Equity Shares and Paid up Equity Share Capital :

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39
Add : Shares issued during the year on exercise of Employee Stock Options	**758,908**	**75.89**	-	-
Balance as at the end of the year	**86,912,760**	**8,691.28**	86,153,852	8,615.39

i. Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year :

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Equity Shares reserved for issue under Employee Stock Options	**2,887,871**	**288.79**	3,647,779	364.78

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
15 Other Equity		
i. Share Application Money pending allotment	**0.10**	-
ii. Reserves and Surplus		
a. Capital Reserve		
Government Subsidy	**26.95**	26.95
Capital Reduction Account	**6,921.68**	6,921.68
	6,948.63	6,948.63
b. Securities Premium		
Balance as at the beginning of the year	**-**	-
Add : Transferred on exercise of Employee Stock Options	**183.35**	-
	183.35	-
c. Share Options Outstanding		
Balance as at the beginning of the year	**78.37**	-
Add : Share-based Payments to Employees	**508.66**	78.37
Less : Employee Stock Options Exercised	**183.35**	-
	403.68	78.37

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
d.	**Retained Earnings**		
	Balance as at the beginning of the year	**22,357.75**	19,022.56
	Add/(Less) : Profit / (Loss) for the year	**(697.03)**	3,326.23
	Add/(Less) : Remeasurement gain / (loss) on Defined Benefit Plan (net of tax)	**(43.34)**	8.96
		21,617.38	22,357.75
iii.	**Equity Instruments through Other Comprehensive Income**		
	Balance as at the beginning of the year	**0.05**	-
	Add/(Less) : Movement during the year	**(0.02)**	0.05
		0.03	0.05
		29,153.17	29,384.80

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 1,000 shares is pending as at the year end.

b. Capital Reserve

It represent gains of capital nature. Capital reserve is mainly on account of reduction of paid up capital in earlier year in pursuance of Hon'ble BIFR order. It also consists of Government Subsidy received in earlier years.

c. Securities Premium

It represents those share based payments to employees for which stock options have been exercised by employees.

d. Share Options Outstanding

The Company has Gujarat Sidhee 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.

e. 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.

f. Equity Instruments through Other Comprehensive Income

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

	Non-current		Current maturities of Long-term borrowings*	
	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
16 Borrowings : Non-current				
Secured				
Term Loans				
From Bank	**2,501.67**	3,240.89	**758.72**	802.50
From Other Parties	**9.56**	18.26	**8.71**	7.93
	2,511.23	3,259.15	**767.43**	810.43

* Amounts disclosed under the head 'Other Financial Liabilities : Current' (Note 21).

NOTES FORMING PART OF FINANCIAL STATEMENTS

16.1 Security and Repayment Terms :

i. Term Loan from HDFC Bank Limited is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Company. This is further secured by personal guarantee of one of the Promoter Directors, Corporate guarantee of wholly owned subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by wholly owned subsidiary Company. The Term Loan is repayable in 22 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

ii. Term loans from Banks/other parties in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest rates ranging from 8% to 10% p.a.

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
17 Provisions : Non-current		
For Employee Benefits (Refer Note 36)		
Gratuity	**821.65**	782.33
Compensated absences	**278.14**	287.22
	1,099.79	1,069.55

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
18 Deferred Tax Liabilities (Net)		
Tax effect of items constituting Deferred Tax Assets (Refer Note 33)	**4,805.25**	3,690.19
Tax effect of items constituting Deferred Tax Liabilities (Refer Note 33)	**8,349.70**	7,837.28
	3,544.45	4,147.09

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
19 Borrowings : Current		
Secured		
Loans repayable on demand from Banks		
Overdraft	**2,151.42**	560.23
	2,151.42	560.23

The overdraft from bank is secured against lien of FDRs of ₹ 3,373.92 lacs (Previous Year: ₹ 3,554.85) - Refer Notes 5 and 10.

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
20 Trade Payables		
Due to Micro enterprises and Small enterprises	**117.91**	40.49
Due to others	**8,488.55**	7,110.33
	8,606.46	7,150.82
Additional disclosure in respect of dues to Micro, Small and Medium enterprises :		
i. Principal amount remaining unpaid	**117.91**	40.49
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	**-**	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

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, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
21 Other Financial Liabilities : Current		
Current maturities of Long-term borrowings *		
Term Loans		
From Banks	**758.72**	802.50
From Others	**8.71**	7.93
Unpaid Dividend	**16.08**	14.33
Unclaimed money against sale of fractional shares	**0.21**	0.19
Security Deposits from Customers / Transporters	**641.63**	636.35
Security Deposits - Others	**9.72**	8.45
Remuneration Payable to Key Managerial Personnel [Refer Note 38.2(B)(i)(a) and (b)]	**28.96**	60.06
Liabilities for expenses at the year-end	**691.88**	884.75
Others	**13.67**	10.29
	2,169.58	2,424.85

* Refer Note 16.1 for security given.

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
22 Other Current Liabilities		
Advance from Customers	**1,555.13**	2,480.13
Unearned Revenue	**401.93**	227.28
Statutory Dues	**3,150.42**	2,832.62
Others	**62.60**	51.53
	5,170.08	5,591.56

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
23 Provisions : Current		
For Employee Benefits (Refer Note 36)		
Gratuity	**173.07**	150.75
Compensated absences	**117.50**	102.70
	290.57	253.45

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
24	**Current Tax Liabilities (Net)**		
	Provision for Taxation	-	162.40
	Less : Taxes Paid	-	56.09
		-	106.31

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
25	**Revenue from Operations**		
	Sale of Products	**56,212.13**	55,401.09
	Other Operating Revenue	**88.64**	54.90
		56,300.77	55,455.99

25.1 Effective April 1, 2018, the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers", and has opted to apply the modified restrospective approach and accordingly, it is applied retrospectively only to contracts that are not completed at the date of initial application i.e. as on April 1, 2018 and the comparative information is not restated. The adoption of standard did not have any material impact on financial statements of the Company.

25.2 The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity, consequently, sales for the year ended March 31, 2019 are presented net of GST. Sales for the year ended March 31, 2018 includes excise duty upto June 30, 2017 which now is subsumed in GST. Accordingly, sales for the year ended March 31, 2019 and March 31, 2018, to that extent, are not comparable.

25.3 Sales by Performance Obligations

Performance obligations are satisfied at a point in time i.e. when the customer obtains control of goods on its receipt. In case of export of goods, the control of goods is transferred on receipt of bill of lading / mate receipt.

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
25.4	**Revenue from Contracts with Customers**		
A	**Revenue from contracts with customers disaggregated based on nature of products or services**		
	Revenue from Sale of Products		
	Cement	**50,468.75**	50,013.30
	Clinker	**5,743.38**	5,387.79
		56,212.13	55,401.09
	Other Operating Revenue		
	Scrap Sales	**88.64**	54.23
	Railway claim	-	0.67
		88.64	54.90
		56,300.77	55,455.99

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
B	**Revenue from contracts with customers disaggregated based on geography**		
	Domestic	**56,300.77**	55,455.99
	Export	**-**	-
		56,300.77	55,455.99
25.5	**Reconciliation of contract price with Revenue from Operations**		
	Contract price	**57,141.15**	56,414.59
	Less:		
	Discounts and Rate differences	**746.43**	832.30
	Incentives and Schemes	**177.84**	162.65
	Customer's loyalty programme	**1.31**	11.96
	Others	**3.44**	6.59
	Revenue from sale of products	**56,212.13**	55,401.09
	Add: Other Operating Revenue	**88.64**	54.90
	Revenue from Operations	**56,300.77**	55,455.99

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
26 Other Income		
Interest Income on		
Fixed Deposits with Banks	**296.97**	281.15
Financial Assets measured at amortised cost	**2.24**	3.58
Others	**37.86**	43.24
	337.07	327.97
Insurance claim [includes ₹ 94.34 lacs (Previous Year - Nil) on damaged PPE]	**110.53**	37.45
Profit on Sale of Property, Plant and Equipment (net)	**4.45**	8.56
Provision no longer required Written back (Refer Note 26.1)	**47.84**	565.22
Provision for Doubtful Debts / Advances Written back	**1.80**	25.16
Sundry credit balances Written back	**67.32**	16.72
Exchange Rate Fluctuation	**71.93**	76.34
Sales Tax refund	**1.18**	-
Refund of Transmission of Power Charges	**764.23**	-
Miscellaneous Income	**110.61**	93.91
	1,516.96	1,151.33

26.1 For the year ended March 31, 2018:

The Hon'ble Supreme Court vide its Order dated October 13, 2017, has held applicability of District Mineral Fund (DMF) under Mines and Mineral (Development and Regulations) Amendment Act, 2015 with effect from September 17, 2015. Accordingly, the Company has written back the provision for contribution to DMF of ₹ 261.01 lacs relating to the period before September 17, 2015.

Further, provision no longer required written back also includes reversal of remuneration of ₹ 232.53 lacs to Executive Vice Chairman provided in Financial Year 2016-17 as it is no longer payable due to inadequacy of profit.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
27 Cost of Materials Consumed		
Raw Materials		
Opening Stock	**254.39**	850.35
Add: Purchases	**5,542.48**	2,922.65
Less: Closing Stock	**485.03**	254.39
	5,311.84	3,518.61
Royalty, Cess and Limestone raising cost		
Limestone raising and Transportation	**1,736.58**	1,618.31
Royalty	**887.67**	1,218.67
District Mineral Fund (DMF) and others	**284.05**	389.97
	2,908.30	3,226.95
Packing Materials		
Opening Stock	**92.25**	89.45
Add : Purchases	**1,637.27**	1,586.24
Less : Closing Stock	**71.99**	92.25
	1,657.53	1,583.44
	9,877.67	8,329.00

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
28 Changes in inventories of Finished Goods and Work-in-progress		
Opening Stock		
Finished Goods	**155.21**	216.87
Work-in-progress	**1,719.74**	2,492.45
	1,874.95	2,709.32
Less: Closing Stock	**411.12**	155.21
Finished Goods	**1,432.32**	1,719.74
Work-in-progress	**1,843.44**	1,874.95
	31.51	834.37

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
29 Employee Benefits Expenses		
Salaries and Wages	**3,240.93**	3,052.61
Share based payments to employees (Refer Note 40)	**508.66**	78.37
Contribution to provident and other funds	**212.71**	205.13
Gratuity Expense	**107.52**	140.18
Staff Welfare Expenses	**68.05**	94.04
	4,137.87	3,570.33

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
30 Finance Costs		
Interest Expense		
On Borrowings	**515.91**	186.98
On Duties and Taxes	**74.40**	64.92
On Others	**50.02**	60.06
Other Borrowing Costs	**20.24**	0.20
	660.57	312.16

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
31 Other Expenses		
Power and Fuel	**23,323.84**	20,517.25
Consumption of Stores and Spares	**1,976.51**	1,646.25
Repair and Maintenance		
Buildings	**173.21**	87.94
Machinery	**1,047.53**	865.37
Others	**374.45**	348.89
	1,595.19	1,302.20
Cement Packing Expenses	**466.96**	447.12
Insurance	**106.73**	90.24
Rent	**206.76**	185.39
Rates and Taxes	**37.36**	35.72
Travelling and Conveyance Expenses	**133.06**	105.81
Legal and Professional Charges	**165.40**	190.43
Freight Outward and Handling Expenses	**12,376.37**	10,247.39
Commission	**1,129.14**	1,065.20
Advertisement and Sales Promotion Expenses	**873.06**	870.76
Payments to the Auditors		
For Statutory Audit	**12.00**	12.00
For Tax Audit	**3.00**	2.00
For Other services	**3.53**	3.92
For Reimbursement of expenses	**1.38**	2.37
	19.91	20.29
Directors' Sitting Fees	**36.70**	33.50
Bad Debts Written off	**-**	7.22
Provision for Impairment of Security Deposits	**5.00**	-
Miscellaneous Expenses	**934.52**	833.96
	43,386.51	37,598.73

32 Since the average net profit of the Company for preceding three financial years is negative, the amount to be spent on Corporate Social Responsibility (CSR) activities under the Companies Act, 2013 has been Nil.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
33	**Disclosure pursuant to Ind AS 12 on "Income Taxes"**		
33.1	**Components of Tax expenses / (income)**		
	a. Profit or Loss section		
	i. Current Income Tax		
	In respect of current year	**-**	162.40
	Adjustments in respect of tax of earlier years	**21.18**	-
	Total current income tax	**21.18**	162.40
	ii. Deferred Tax		
	In respect of current year origination and reversal of temporary difference	**(558.68)**	(135.32)
	MAT credit entitlement	**-**	(162.40)
	MAT credit entitlement of earlier years	**(20.69)**	-
	Total Deferred Tax	**(579.37)**	(297.72)
	Income Tax expense / (income) reported in the Profit or Loss section	**(558.19)**	(135.32)
	b. Other Comprehensive Income section		
	Remeasurement of Defined Benefit Plan	**(23.28)**	4.82
	Income Tax expense / (income) reported in Other Comprehensive Income section	**(23.28)**	4.82
33.2	**Reconciliation of Income Tax expense / (income) and Accounting Profit multiplied by domestic tax rate applicable in India**		
	Profit / (loss) before tax	**(1,255.22)**	3,190.91
	Applicable Tax Rate	**34.944%**	20.389%
	Tax on Accounting Profit	**(438.62)**	650.59
	Tax effect of :		
	Deductible items	**(667.88)**	(5.41)
	Non Deductible items	**52.80**	-
	Brought forward unabsorbed depreciation	**-**	(496.79)
	Current year unused tax losses	**1,053.70**	-
	Adjustments in respect of tax of earlier years	**21.18**	-
	Others	**-**	14.01
	Current Tax (A)	**21.18**	162.40
	Deferred Tax Liability recognised	**512.42**	404.08
	Deferred Tax Asset recognised	**(1,071.10)**	(539.40)
	MAT Credit entitlement	**-**	(162.40)
	MAT Credit entitlement of earlier years	**(20.69)**	-
	Deferred Tax (B)	**(579.37)**	(297.72)
	Tax expense / (income) recognised in Statement of Profit and Loss (A+B)	**(558.19)**	(135.32)
	Effective Tax Rate	**44.47%**	-4.24%

The tax rate used for reconciliation for the current year is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Income Tax Act, 1961. During previous year, company was liable to pay Tax under MAT provisons of Income Tax Act, 1961 and therefore MAT rate of 20.389% has been used.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
33.3 Deductible temporary differences arising from investment in subsidiary on which no DTA is created	**542.27**	-

33.4 Components of Deferred Tax

	As at April 1, 2018 ₹ in lacs	Recognised in Profit and Loss	Recognised in OCI	**As at March 31, 2019 ₹ in lacs**
a. Deferred Tax Assets :				
Accrued Expenses deductible on cash basis	447.88	(12.27)	-	**435.61**
Provision for Gratuity and Leave Encashment	195.10	0.27	23.28	**218.64**
Provision for Doubtful Debts and Advances	122.73	1.12	-	**123.85**
Unused tax losses (Refer Note 33.5)				
Business Loss	401.93	91.73	-	**493.66**
Unabsorbed Depreciation	1,047.92	990.25	-	**2,038.17**
Unused tax credit - MAT Credit Entitlement (Refer Note 33.5)	1,474.63	20.69	-	**1,495.32**
	3,690.19	1,091.79	23.28	**4,805.25**
b. Deferred Tax Liabilities :				
Fair Valuation of Financial Assets	108.80	(108.80)	-	**-**
Property, Plant and Equipment and Intangible Assets	7,728.48	621.22	-	**8,349.70**
	7,837.28	512.42	-	**8,349.70**
Deferred Tax Liabilities / (Asset) (Net)	4,147.09	(579.37)	(23.28)	**3,544.45**

	As at April 1, 2017 ₹ in lacs	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2018 ₹ in lacs
a. Deferred Tax Assets :				
Accrued Expenses deductible on cash basis	498.15	(50.27)	-	447.88
Provision for Gratuity and Leave Encashment	139.54	60.38	(4.82)	195.10
Provision for Doubtful Debts and Advances	116.73	6.00	-	122.73
Unused tax losses (Refer Note 33.5)				
Business Loss	-	401.93	-	401.93
Unabsorbed Depreciation	926.56	121.36	-	1,047.92
Unused tax credit - MAT Credit Entitlement (Refer Note 33.5)	1,312.23	162.40	-	1,474.63
	2,993.21	701.80	(4.82)	3,690.19
b. Deferred Tax Liabilities :				
Fair Valuation of Financial Assets	102.94	5.86	-	108.80
Property, Plant and Equipment and Intangible Assets	7,330.26	398.22	-	7,728.48
	7,433.20	404.08	-	7,837.28
Deferred Tax Liabilities / (Asset) (Net)	4,439.99	(297.72)	4.82	4,147.09

33.5 The Company has recognised Deferred Tax Asset on carry forward of unused tax losses and unused tax credit as the Management expects that there will be sufficient taxable income in view of improved demand for Cement and installation of Waste Heat Recovery Power Plant which will result into saving in cost of power. Consequently, the unused tax losses and unused tax credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in forseeable future.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
34	**Contingent liabilities**		
	(to the extent not provided for)		
	Claims against the company not acknowledged as debt - matters under disputes / appeals :		
	i. Excise duty on Cement	**3,402.84**	1,230.28
	ii. Customs Duty	**72.85**	74.09
	iii. Service Tax	**143.72**	150.61
	iv. Sales Tax / VAT	**452.73**	452.73
	v. Octroi	**38.49**	38.49
	vi. Claims filed by workmen or their union against the Company	**6.45**	3.00
	vii. House Tax	**82.79**	82.79
	viii. Land Compensation	**444.25**	459.38
	ix. Others	**17.50**	17.50

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.

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
35	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 39.53 lacs, Previous Year: ₹ 31.70 lacs)	**132.38**	179.62

36 Disclosure pursuant to Ind AS 19 on "Employee benefits"

36.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating to ₹ 212.71 lacs (Previous Year : ₹ 205.13 lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

36.2 Defined Benefit Plan : Gratuity (Unfunded)

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

Gratuity is paid by the Company as and when it becomes due and is paid as per the scheme for Gratuity.

NOTES FORMING PART OF FINANCIAL STATEMENTS

36.3 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. Asset Liability Matching Risk :

The plan faces the ALM risk as to the matching cash flow. The Company manages the cash flow based on its own liquidity as and when it becomes due.

iii. 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.

iv. 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 and 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.

v. Mortality Risk :

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

vi. 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, 1972; 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 recognised immediately in the year when any such amendment is effective.

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
36.4 i. Changes in Present Value of Obligations	**Gratuity Unfunded**	Gratuity Unfunded
Present Value of Obligation at the beginning	**933.08**	849.18
Current Service Cost	**36.98**	37.80
Past Service Cost	**-**	38.61
Interest Cost	**70.54**	63.77
Actuarial (Gain) / Loss due to :		
- Change in Financial Assumptions	**3.69**	(2.06)
- Experience Changes	**62.93**	(11.72)
Benefits paid	**(112.50)**	(42.50)
Present Value of Obligation as at the end	**994.72**	933.08
ii. Amount recognised in the Statement of Profit and Loss		
Current Service Cost	**36.98**	37.80
Past Service Cost	**-**	38.61
Interest Cost	**70.54**	63.77
	107.52	140.18
iii. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss :		
Change in Financial Assumptions	**3.69**	(2.06)
Experience Changes	**62.93**	(11.72)
	66.62	(13.78)

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
iv.	**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	**(39.28)**	(39.18)
	1% decrease in discount rate	**43.24**	43.15
	1% increase in salary escalation rate	**42.49**	42.66
	1% decrease in salary escalation rate	**(39.29)**	(39.45)
	1% increase in employee turnover rate	**4.44**	4.54
	1% decrease in employee turnover rate	**(4.88)**	(4.99)

		As at March 31, 2019 ₹ in lacs Gratuity Unfunded	As at March 31, 2018 ₹ in lacs Gratuity Unfunded
v.	**Amount recognised in Balance Sheet**		
	Gross value of Present Obligation at the end	**994.72**	933.08
vi.	**Maturity Profile of the Defined Benefit Obligation**		
	1st Following Year (Within next 12 months)	**173.07**	150.75
	2nd Following Year	**95.38**	103.36
	3rd Following Year	**168.67**	104.92
	4th Following Year	**154.93**	134.48
	5th Following Year	**123.56**	139.83
	Sum of Years 6 to 10	**406.46**	435.48
	Sum of Years 11 and above	**353.39**	352.38
vii.	**Assumptions**		
	Mortality Table - Indian Assured Life Mortality 2006-08	**2006-08**	2006-08
	Discount Rate	**7.47%**	7.56%
	Rate of increase in compensation levels	**5.50%**	5.50%
	Attrition Rate	**2.00%**	2.00%
viii.	Weighted average duration of Defined Benefit Obligation	**5 Years**	6 Years

ix. 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.

x. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

* 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 balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF FINANCIAL STATEMENTS

37 Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Managing Director in the Company to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of manufacturing of Cement and Clinker, which is the only operating segment as per Ind AS 108.

38 Disclosure pursuant to Ind AS 24 on "Related Party Disclosures"

38.1 List of related parties :

i. Holding Company :

Bhadra Textiles and Trading Private Limited

ii. Ultimate Controlling Party :

Galaxy Technologies Private Limited

iii. Subsidiary Company :

Villa Trading Company Private Limited

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

a. Saurashtra Cement Limited
b. Sumaraj Holding Private Ltd.
c. Sunnidhi Trading Private Ltd.
d. Shree Anandeya Investment Pvt. Ltd.
e. Sameta Exports Private Ltd.
f. Pallor Trading Company Private Ltd.
g. The Arj Investments Limited
h. Treasurer's Trading Limited
i. GIIC Limited
j. Samja Mauritius Limited
k. Mehta Investments Pte Limited

v. List of Key Management Personnel with whom transactions were carried out during the year :

a.	Mr. M. N. Mehta	Chairman
b.	Mr. Jay Mehta	Executive Vice Chairman
c.	Mr. M. S. Gilotra	Managing Director
d.	Mrs. Juhi Chawla Mehta	Non-Executive Director
e.	Mr. Hemnabh R. Khatau	Non-Executive Director
f.	Mr. Venkatesh Mysore	Non-Executive Director
g.	Mr. Y. K. Vyas	Non-Executive Director
h.	Mr. S. V. S. Raghavan	Independent Director
i.	Mr. M. L. Tandon	Independent Director
j.	Mr. P.K. Behl *	Independent Director
k.	Mr. Ashwani Kumar **	Independent Director
l.	Mrs. Bhagyam Ramani	Independent Director
m.	Mr. M. N. Rao	Independent Director
n.	Mr. Bimal R. Thakkar	Independent Director
o.	Mr. Kailash N. Bhandari	Independent Director

* Ceased to be director w.e.f. March 8, 2019

** Appointed w.e.f. February 12, 2019

vi. Enterprise having Key Management Personnel in common :

Saurashtra Cement Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

38.2 Transactions and Balances with related parties :

A Transactions with related parties :

i. Compensation paid to Key Management Personnel :

	For the year ended March 31, 2019 ₹ in lacs		For the year ended March 31, 2018 ₹ in lacs	
Key Management Personnel	**Short-term employee benefits**	**Share-based payment**	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a below)	**159.84**	**-**	37.05	-
Mr. M. S. Gilotra (Refer Note a and b below)	**233.12**	**-**	202.22	108.55

a. As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

b. The Share-based payment for the year ended March 31, 2018 represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
ii. Transactions with Key Management Personnel :		
a. Directors sitting fees	**36.70**	33.50
iii. Transactions with Saurashtra Cement Limited :		
a. Purchase of goods and materials	**-**	29.59
b. Sale of goods and materials	**1,868.62**	722.97
c. Expenses / (Recovery) for services (net)	**76.12**	20.09
iv. Transactions with the Subsidiary - Villa Trading Company Private Limited		
a. Corporate Guarantee Commission - Income (Refer Note 16.1)	**40.77**	-
b. Corporate Guarantee Commission - Expenses (Refer Note 16.1) This commission has been recognised at fair value as per Ind AS 109 for the Guarantee given by the Subsidiary for Term Loan availed.	**19.82**	-

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
B Outstanding Balances as at the year-end		
i. Balances with Key Management Personnel :		
Other Financial Liabilities : Current		
a. Remuneration payable to Mr. M S Gilotra	**18.58**	22.81
b. Remuneration payable to Mr. Jay M Mehta	**10.38**	37.25
ii. Balance with Associate - Saurashtra Cement Limited :		
Trade Receivables	**65.28**	43.39
iii. Personal Guarantee given by Mr. Jay Mehta for Term Loan given by HDFC Bank Ltd. (Refer Note 16.1)		
Balance Term Loan outstanding	**3,129.08**	3,823.41
iv. Corporate Guarantee given by Villa Trading Company Private Limited for Term Loan given by HDFC Bank Ltd. (Refer Note 16.1)		
Balance Term Loan outstanding	**3,129.08**	3,823.41

NOTES FORMING PART OF FINANCIAL STATEMENTS

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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

39 Capital Management

The primary objective of Company's Capital Management is to maximise the shareholder's value without having any adverse impact on interests of other stakeholders. At the same time, the 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 both current and non-current (including current maturities) borrowings and equity includes issued equity capital, securities 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. Gross Debt to Equity ratio is as under:

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Total Debt (A)	**5,430.08**	4,629.81
Total Equity (B)	**37,849.75**	38,005.49
Gross Debt Equity Ratio (A/B)	**0.14**	0.12

40 Disclosure pursuant to Ind AS 102 on "Share-based Payment"

40.1 Gujarat Sidhee Employee Stock Option Scheme 2017

In the Annual General Meeting held on July 25, 2017, shareholders of the company approved Gujarat Sidhee 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	36,47,779
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)	24.16 (Vest 1), 24.87 (Vest 2), 26.53 (Vest 3) 25.20 (per Option)
Method of Settlement	Equity

NOTES FORMING PART OF FINANCIAL STATEMENTS

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2019 Nos	Weighted average exercise price per option (₹)	As at March 31, 2018 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	**3,647,779**	**10**	-	-
Granted during the year	**-**	**-**	3,647,779	10
Exercised during the year	**759,908**	**10**	-	-
Forfeited / lapsed during the year	**-**	**-**	-	-
Outstanding at the end of the year	**2,887,871**	**10**	3,647,779	10
Options exercisable at the end of the year	**443,859**	**10**	-	-

The weighted average share price during the period of exercise of options was ₹ 22.57 per share, previous Year: NA. Weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 3 years and 8 months (previous Year: 4 year and 4.5 months).

40.3 Fair Valuation of Options Granted

No options were granted during the year. The fair valuation of option 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 market price of the share one day prior to the date of grant 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 :

1	Risk Free Rate	:	7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
2	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)
3	Expected Volatility	:	48.47% (Vest 1), 48.04% (Vest 2), 66.60% (Vest 3)
4	Dividend Yield	:	Nil

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 ₹ 508.66 lacs (Previous Year: ₹ 78.37 lacs)

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Assets at Cost :			
Investments	3	**7,899.81**	7,899.81
Financial Assets at Amortised cost :			
Trade Receivables	8	**1,362.49**	1,193.50
Loans	4 and 11	**667.25**	744.64
Investments	3	**0.14**	0.14
Cash and Bank Balances	9 and 10	**4,656.05**	4,303.53
Other Financial Assets	5 and 12	**196.54**	902.45

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Note	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Assets at Fair Value through Other Comprehensive Income :			
Investments	3	**4.08**	4.10
Total		**14,786.36**	15,048.17
Financial Liabilities at Amortised cost :			
Term Loan from Banks (Non-current)	16	**2,511.23**	3,259.15
Overdraft against lien of Bank Fixed Deposits	19	**2,151.42**	560.23
Trade payables	20	**8,606.46**	7,150.82
Other Financial Liabilities	21	**2,169.58**	2,424.85
Total		**15,438.69**	13,395.05

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.

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 shares 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, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	**0.05**	0.07
Investments - Level 3	**4.03**	4.03
Total	**4.08**	4.10

There is no transfer between Level 1 and Level 3 during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Reconciliation of Level 3 Fair Value Measurements:

Balance as at April 1, 2018	**4.03**
Add / (Less): Changes during the year	**-**
Balance as at March 31, 2019	**4.03**

Since the Level 3 investment value is not significant, 1% increase (decrease) in the input will have negligible impact.

41.3 Financial Risk Management Framework

The Company's financial risk management is an integral part of how to plan and execute its business startegies. The risk management policy is approved by the Comapny's Board of Directors. 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 and 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 review and agree 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 transactions 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.

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, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
Trade Advances		
Euro	**-**	4.34

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 policies and 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. Deposits are taken from customers as per agreement with them. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit in addition to security deposits.

Outstanding receivable from customers 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.

Export sales is mainly against advance payment or letter of credit.

Total Trade receivables as at March 31, 2019 is ₹ 1,385.56 Lacs (Previous Year: ₹ 1,216.57 Lacs)

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 no bad debt has been written of during the current year and entire bad debt written off during the previous year was fully provided for in earlier years. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. Since the company does not separately track changes in credit risk of Trade Receivables, the disclosure for Trade Receivables under Note 8, as required under Schedule III is suitably modified. The movement in provision for impairment is as below:

Particulars	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
Opening Provision	**23.07**	48.23
Add : Provided during the year	**-**	-
Less : Utilised / written back during the year	**-**	25.16
Closing Provision	**23.07**	23.07

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 lacs

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 borrowings)	**2,918.85**	**2,511.23**	**-**	**5,430.08**
Trade payables	**8,606.46**	**-**	**-**	**8,606.46**
Other financial liabilities	**1,402.15**	**-**	**-**	**1,402.15**

₹ in lacs

As at March 31, 2018	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	1,370.66	2,907.40	351.75	4,629.81
Trade payables	7,150.82	-	-	7,150.82
Other financial liabilities	1,614.42	-	-	1,614.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
42	**Earning Per Share:**		
	Weighted average number of equity shares of ₹ 10 each		
	No. of shares issued on exercise of Stock Options	**758,908**	-
	Number of Days in the current year for the above shares issued	**7**	-
	Weighted average number of shares issued on exercise of Stock Options	**14,554**	-
	Balance at beginning of year	**86,153,852**	86,153,852
	Weighted average number of equity shares of ₹ 10 each	**86,168,406**	86,153,852
	Net Profit / (Loss) after Tax	**(697.03)**	3,326.23
	Basic earnings per share (in ₹)	**(0.81)**	3.86
	Equity Shares to be allotted in future against grant of options to Employees under Employee Stock Option Scheme (ESOS) 2017	**28,87,871 ***	36,47,779 **
	Diluted earnings per share (in ₹)	**(0.81)**	3.86

* As the Company has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

** These Equity Shares could potentially dilute basic earnings per share (EPS) in the future but are not included in the calculation of diluted EPS because they are antidilutive for the year.

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

As per our Report of even date attached

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
S. V. S. Raghavan	Director
M. S. Gilotra	Managing Director
V. R. Mohnot	CFO & Company Secretary

Mumbai, Dated May 24, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of the Gujarat Sidhee Cement Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Sidhee Cement Limited** ("the Holding Company") and its Subsidiary, Villa Trading Company Private Limited (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the Subsidiary as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at March 31, 2019, its consolidated loss and total comprehensive income, the consolidated 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 specified under Section 143(10) of the Act (SAs). 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 ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below 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 judgement, 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, for the year ended March 31, 2019 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 key audit matters to be communicated in our report:

The Key Audit Matter	How was the matter addressed in our audit
Rebates, Discounts and Incentives The Group sells its products through various channels such as dealers and commission agents (customers) and provide various rebates, discounts and incentives payable to them under various marketing schemes. Revenue is recognised net of rebates, discounts and incentives based on the arrangement with customers. Rebates, discounts and incentives to customers are administered through various schemes. Amounts involved for such rebates, etc. are material items voluminous and complex, and also involves significant judgement and estimates. The value of rebates, discounts and incentives together with the level of judgement involved make its accounting treatment a key audit matter. [Refer Notes 1.11 and 25 to the consolidated financial statements.]	Our audit procedures included the following: • Assessed the design and implementation of controls from the management relating to recording of rebates, discounts and incentives based on estimation of revenue and tested the operating effectiveness of such controls. • Tested the inputs used in the estimation of revenue in context of incentives and selecting samples of revenue transactions and circulars to re-check that rebates, discounts and schemes incentives were calculated in accordance with the eligibility criteria mentioned in the scheme circular. • Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. • Review of inputs used in calculating the amount and in some cases, re-performed the calculation. • Verification of appropriate authorisation. • Analysed past trends by comparing actuals with the estimates of earlier periods. • Assessed the disclosures rebates, discounts and incentives in accordance with the requirements of Ind AS 115 on "Revenue from Contracts with Customers".

The Key Audit Matter	How was the matter addressed in our audit
Recognition of Deferred Tax Assets ("DTA") – MAT Credit Entitlement, Unabsorbed Depreciation and Business Losses The Group has recognised MAT Credit Entitlement in the current year and as also in earlier years and reflected the same as DTA. The recognition of MAT Credit ("tax credits") as DTA is on the basis that it is probable that future taxable profit will be available against which such tax credits can be utilised. The Group has recognised DTA in earlier years on unabsorbed depreciation and carried forward business losses as also recognised DTA on unabsorbed depreciation and business loss for the year. Such recognition of DTA is a key audit matter as the determination that it is probable that future taxable will be available, that is, the recoverability of such tax credits within the allowed time frame, involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Group. [Refer Notes 18 and 33 to consolidated financial statements]	Our audit procedures included the following: • Considered the Group's accounting policies with respect to recognition of tax credits in accordance with Ind AS 12 on "Income Taxes". • Evaluated the Group's tax positions by comparing it with prior years and past precedents. • Evaluated the estimates of profitability made by the management on the basis of which it is considered probable that the Group will have sufficient taxable income against which the tax credits will be utilised. • Discussed with the management the future business plans and financial projections on which the estimate of profitability is made. • Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it to the approved business plan and projections used for impairment assessment where applicable. • Assessed the disclosures in accordance with the requirements of Ind AS 12 on "Income Taxes".

Uncertain tax positions **Direct and Indirect Taxes** The Group has uncertain tax matters pending litigations under direct tax and 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. These matters are considered to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. [Refer Notes 22 and 34 to the consolidated financial statements.]	Our audit procedures include the following: • Obtained details of uncertain tax position and gained understanding thereof. • Obtained details of completed tax assessments and also demands raised • Read and analysed relevant communication with the authorities and legal consultants. • Considered the legal advice obtained by the management on possible outcome of the litigation. • Discussed with senior management and evaluated management's assumptions regarding provisions made. • Assessed the disclosures in accordance with the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".

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

The Holding 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, Management Discussion and Analysis, Corporate Governance and Shareholder's Information, but does not include the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiary audited by the other auditors, to the extent it relates to the Subsidiary and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiary is traced from the financial statements audited by the other auditors.

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 Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income),consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Holding Company and its Subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management 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 the 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 responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company and its Subsidiary has adequate internal financial controls with reference to financial statements 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 consolidated 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 (Holding Company and its Subsidiary) 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 consolidated 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, that is, the Holding Company 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 entity. 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 audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in section titled 'Other Matters' to this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors 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 and the financial information of the Subsidiary, whose financial statements and financial information reflect total assets of ₹ 6,555.43 lacs as at March 31, 2019, total revenues of ₹ 156.65 lacs, total net profit of ₹ 151.18 lacs and total comprehensive income of ₹ (2,846.78) lacs and net cash inflows amounting to ₹ 17.46 lacs for the year ended on that date, as considered in preparation of consolidated financial statements. The financial statements and financial information of the Subsidiary have been prepared in accordance with Ind AS and accounting principles generally accepted in India. These financial statements and financial information have not been audited by us and have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary, is based solely on the reports of the other auditors.

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 reports of the other auditors and the financial statements and financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the reports of the other auditors;
    c. The Consolidated Balance Sheet, 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 and notes to the Consolidated Financial Statements dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and as reported by the statutory auditors of the Subsidiary, none of the directors of the companies in the Group is disqualified as on March 31, 2019 from being appointed as a director of the respective company in terms of Section 164(2) of the Act;
    f. With respect to the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
    g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

       In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
    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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the Subsidiary:
        i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;
        ii. The Group did not have any long-term contracts for which there were any material foreseeable losses;
        iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Group during the year ended March 31, 2019.

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

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : Mumbai
DATE : May 24, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 (f) under the heading of 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date on the Consolidated Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements 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 the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to the financial statements of **Gujarat Sidhee Cement Limited** ("the Holding Company"), and its Subsidiary (collectively referred to as "the Group").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to financial statements of the Holding Company and its Subsidiary, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Subsidiary, in terms of their reports referred to in the Other Matter section below is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that:

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

b. 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 authorisation of management and directors of the company;

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred in the Other Matter section below, the Holding Company and its Subsidiary, have, in all material respects, an internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2019, based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to its Subsidiary, is based on the corresponding report of the auditors of such company.

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

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : Mumbai
DATE : May 24, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Note	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	**41,841.66**	41,577.45
(b) Capital Work-in-progress	2	**7.22**	573.15
(c) Other Intangible Assets	2	**12.89**	5.44
(d) Financial Assets			
i. Investments	3	**6,498.68**	9,496.67
ii. Loans	4	**657.96**	730.69
iii. Other Financial Assets	5	**1.54**	772.55
(e) Other Non-Current Assets	6	**523.42**	274.07
Sub-total		**49,543.37**	53,430.02
Current Assets			
(a) Inventories	7	**5,783.00**	4,590.66
(b) Financial Assets			
i. Trade Receivables	8	**1,362.49**	1,193.50
ii. Cash and Cash Equivalents	9	**281.01**	949.91
iii Bank Balances other than ii. above	10	**4,407.70**	3,368.82
iv. Loans	11	**10.87**	74.21
v. Other Financial Assets	12	**195.22**	129.90
(c) Other Current Assets	13	**421.26**	499.56
Sub-total		**12,461.55**	10,806.56
Total Assets		**62,004.92**	64,236.58
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	**8,696.58**	8,620.69
(b) Other Equity	15	**27,760.19**	30,879.37
Sub-total		**36,456.77**	39,500.06
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	16	**2,511.23**	3,259.15
(b) Provisions	17	**1,099.79**	1,069.55
(c) Deferred Tax Liabilities (Net)	18	**3,544.45**	4,147.09
Sub-total		**7,155.47**	8,475.79
Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	19	**2,151.42**	710.23
ii. Trade Payables	20		
- Total Outstanding dues of Micro enterprises and Small enterprises		**117.91**	40.49
- Total Outstanding dues of creditors other than Micro enterprises and Small enterprises		**8,489.37**	7,110.53
iii. Other Financial Liablities	21	**2,169.58**	2,424.85
(b) Other Current Liabilities	22	**5,170.08**	5,591.56
(c) Provisions	23	**290.57**	253.45
(d) Current Tax Liabilities (Net)	24	**3.75**	129.62
Sub-total		**18,392.68**	16,260.73
Total Equity and Liabilities		**62,004.92**	64,236.58
Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 44		

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
S. V. S. Raghavan	Director
M. S. Gilotra	Managing Director
V. R. Mohnot	CFO & Company Secretary

Mumbai, Dated May 24, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		Note	**For the Year ended March 31, 2019 ₹ in lacs**	For the Year ended March 31, 2018 ₹ in lacs
I.	Revenue from Operations	25	**56,300.77**	55,455.99
II.	Other Income	26	**1,613.02**	1,702.62
III.	**Total Income (I+II)**		**57,913.79**	57,158.61
	Expenses			
	a. Cost of Materials Consumed	27	**9,877.67**	8,329.00
	b. Changes in inventories of Finished Goods and Work-in progress	28	**31.51**	834.37
	c. Excise Duty Expense		**-**	1,821.27
	d. Employee Benefits Expense	29	**4,137.87**	3,570.33
	e. Finance Costs	30	**640.75**	340.21
	f. Depreciation and Amortisation Expense	2	**978.82**	950.55
	g. Other Expenses	31	**43,388.53**	37,605.01
	Total Expenses (a to g)		**59,055.15**	53,450.74
V.	**Profit / (Loss) before Exceptional Items and Tax**		**(1,141.36)**	3,707.87
VI.	Exceptional Items		**-**	-
VII.	**Profit / (Loss) before Tax**		**(1,141.36)**	3,707.87
VIII.	**Tax Expense**	33		
	a. Current Tax		**3.75**	185.49
	b. (Excess) / Short Provision of Tax of Earlier Years		**20.87**	-
	c. Deferred Tax		**(579.37)**	(297.72)
	Total Tax Expense		**(554.75)**	(112.23)
IX.	**Profilt / (Loss) for the year before share in profits of Associate**		**(586.61)**	3,820.10
X.	Share in Profits of Associate		**-**	672.85
XI.	**Profilt / (Loss) for the year**		**(586.61)**	4,492.95
XII.	**Other Comprehensive Income (Net of Tax)**			
	Items that will not be reclassified to profit or loss			
	i. Remeasurement gain / (loss) on Defined Benefit Plan		**(66.62)**	12.71
	ii. Effect of measuring Equity Instruments at Fair Value		**(2,997.99)**	(1,372.60)
	iii. Income Tax on above		**23.28**	(4.45)
	Other Comprehensive Income for the year		**(3,041.33)**	(1,364.34)
XIII	**Total Comprehensive Income for the year**		**(3,627.94)**	3,128.61
	Earnings per Equity Share of ₹ 10 par value :			
	a. Basic (₹ per share)	43	**(0.68)**	5.22
	b. Diluted (₹ per share)	43	**(0.68)**	5.22
	Significant Accounting Policies and Notes are an integral part of the Financial Statements	1 to 44		

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

	As at March 31, 2019 No. of Shares	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39
Add : Shares issued during the year on exercise of Employee Stock Options	**758,908**	**75.89**	-	-
Balance as at the end of the year	**86,912,760**	**8,691.28**	86,153,852	8,615.39
Add : Forfeited Shares		**5.30**		5.30
Total Equity Share Capital		**8,696.58**		8,620.69

B. Other Equity

(₹ in lacs)

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Share Options Outstanding	Retained Earnings		
Balance as at April 1, 2017	-	6,957.21	-	-	20,703.46	11.70	27,672.37
Profit for the year	-	-	-	-	4,492.95	-	4,492.95
Remeasurement gain on Defined Benefit Plan (net of tax)	-	-	-	-	8.27	-	8.27
Effect of measuring Equity Instruments at Fair Value	-	-	-	-	-	(1,372.60)	(1,372.60)
Total Comprehensive Income for the year	-	-	-	-	4,501.22	(1,372.60)	3,128.63
Share-based Payments to Employees	-	-	-	78.37	-	-	78.37
Balance as at March 31, 2018	-	6,957.21	-	78.37	25,204.68	(1,360.90)	30,879.37
Loss for the year	**-**	**-**	**-**	**-**	**(586.61)**	**-**	**(586.61)**
Remeasurement loss on Defined Benefit Plan (net of tax)	**-**	**-**	**-**	**-**	**(43.34)**	**-**	**(43.34)**
Effect of measuring Equity Instruments at Fair Value	**-**	**-**	**-**	**-**	**-**	**(2,997.99)**	**(2,997.99)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**(629.95)**	**(2,997.99)**	**(3,627.94)**
Share Application Money received on exercise of Employee Stock Options, pending allotment	**0.10**	**-**	**-**	**-**	**-**	**-**	**0.10**
Share-based Payments to Employees	**-**	**-**	**-**	**508.66**	**-**	**-**	**508.66**
Exercise of Employee Stock Options	**-**	**-**	**183.35**	**(183.35)**	**-**	**-**	**-**
Balance as at March 31, 2019	**0.10**	**6,957.21**	**183.35**	**403.68**	**24,574.73**	**(4,358.89)**	**27,760.19**

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

		For the Year ended March 31, 2019 ₹ in lacs	For the Year ended March 31, 2018 ₹ in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) Before Tax	**(1,141.36)**	3,707.87
	Adjustments for		
	Depreciation and Amortisation Expense	**978.82**	950.55
	Finance Costs	**630.29**	340.19
	Interest Income	**(299.21)**	(284.73)
	Dividend Income	**(136.58)**	-
	Profit on Sale of Property, Plant & Equipment (Net)	**(4.45)**	(8.56)
	Profit on Sale of Shares	**-**	-
	Gain on Disassociation of Associate	**-**	(551.27)
	Fair Value Adjustments	**2.24**	3.58
	Share-based Payments to Employees	**508.66**	78.37
	Increase in Provision for Gratuity and Leave Encashment	**0.74**	120.49
	Bad Debts Written off	**-**	7.22
	Provision for Impairment of Security Deposits	**5.00**	-
	Provision no longer required Written back	**(47.84)**	(565.22)
	Sundry credit balances Written back	**(67.32)**	(16.72)
	Provision for Doubtful Debts / Advances Written back	**(1.80)**	(25.16)
	Operating Profit Before Working Capital Changes	**427.19**	3,756.61
	Adjustments for increase / decrease in:		
	Trade Receivables	**(167.19)**	(303.48)
	Long-term Loans and Other Non-Current Assets	**(2.73)**	123.47
	Short-term Loans and Other Current Assets	**141.42**	69.28
	Inventories	**(1,192.34)**	1,017.82
	Trade payables, Other Financial & Current Liabilities	**871.96**	(1,032.05)
	Cash generated from operations	**78.31**	3,631.65
	Income-tax (paid) / refund (net)	**(321.55)**	(9.53)
	Net Cash Generated from / (Used in) Operating Activities	**(243.24)**	3,622.12
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	**(903.65)**	(4,579.35)
	Investment in Shares	**-**	(0.24)
	Proceeds from Sale of Shares	**-**	390.25
	Dividend Income	**136.58**	141.58
	Proceeds from Sale of Property, Plant and Equipment	**215.72**	70.82
	Net Cash Used in Investing Activities	**(551.35)**	(3,976.94)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	For the Year ended March 31, 2019 ₹ in lacs	For the Year ended March 31, 2018 ₹ in lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money received on exercise of Employee Stock Options	**75.99**	-
Proceeds from Long-term Borrowings	**30.24**	2,783.57
Repayment of Long-term Borrowings	**(821.16)**	(109.75)
Repayment of Short-term Borrowings (Net)	**1,441.19**	(1,334.25)
Deposits held as margin money (Net)	**(266.10)**	(443.54)
Finance Cost Paid	**(566.35)**	(276.11)
Interest Income Received	**231.88**	338.66
Net Cash Generated from Financing Activities	**125.69**	958.58
Net increase / (decrease) in Cash and Cash Equivalents	**(668.90)**	603.76
Cash and Cash Equivalents as at the beginning of the year	**949.91**	346.15
Cash and Cash Equivalents as at the end of the year (Refer Note 9)	**281.01**	949.91

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 :**

   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 financing 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 lacs

For the year ended March 31, 2019	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short-term Borrowings	**710.23**	**1,441.19**	**-**	**2,151.42**
Long-term Borrowings (including Current maturities)	**4,069.58**	**(790.92)**	**-**	**3,278.66**
Deposits held as margin money	**4,126.85**	**(266.10)**	**-**	**4,392.95**

3. Purchase of Property, Plant and Equipment includes addition to other Intangible Assets and adjusted for movement in Capital Work-in-progress and Capital Advances.
4. Figures in bracket indicate Cash Outflow.

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta — Chairman
Jay Mehta — Executive Vice Chairman
S. V. S. Raghavan — Director
M. S. Gilotra — Managing Director
V. R. Mohnot — CFO & Company Secretary

Mumbai, Dated May 24, 2019

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information and Significant Accounting Policies

A Corporate Information

Gujarat Sidhee Cement Limited ("the Company") is engaged in the business of manufacturing and selling of Cement and Clinker.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Sidheegram, Gujarat, India. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The consolidated financial statements for the year ended March 31, 2019 are approved for issue by the Company's Board of Directors on May 24, 2019.

B Significant Accounting Policies

1.1 Basis of Consolidation

These Consolidated Financial Statements are prepared in accordance with Ind AS 110 - Consolidated Financial Statements, specified under Section 133 of the Companies Act, 2013.

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.

The accounting policies of Subsidiary Company have been harmonised to ensure the consistency with the policies adopted by the Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Company's separate financial statements.

The difference between Company's share of Net Assets and Cost of investment in Subsidiary Company at the time of acquisition of shares in Subsidiary is recognised in the consolidated financial statements as Goodwilll or Capital Reserve, as the case may be.

Subsidiary Company considered in the Consolidated Financial Statements is:

No.	Name of the Company	Country of Incorporation	Parent's holding as at March 31, 2019	Parent's holding as at March 31, 2018	Financial Year ends
i.	Villa Trading Company Private Limited	India	**100.00%**	100.00%	March 31

1.2 Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind ASs) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities:

i. Certain financial assets and liabilities that are measured at fair value.

ii. Employee's Defined Benefit Plan measured as per independent actuarial valuation.

iii. Share-based payments that are measured at fair value.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency and all amounts are rounded off to the nearest lacs (INR '00,000) upto two decimals, except when otherwise indicated.

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

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

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

All other assets are classified as Non-current.

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

1.3 Property, Plant and Equipment (PPE)

An item of PPE is recognised as an asset when 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. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and / or accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy on borrowing costs.

If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.

Items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment" and are material.

Freehold land is carried at cost.

Mobile Phones costing less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Consolidated Statement of Profit and Loss.

Capital Work-in-progress

Items of PPE which are not ready for intended use on the date of Consolidated Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

1.4 Depreciation / Amortisation

Depreciation on Property, Plant and Equipment (other than Freehold / Leasehold Land and Capital Work-in-progress) 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 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 useful lives of items of Property, Plant and Equipment is mentioned below:

Particulars	Years
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)	3 – 40
Furniture & Fixtures	10
Vehicles	8
Computers (Other than Servers / Networks)	3
Computers – Servers / Networks	6
Office Equipment (Other than Mobile phones)	5
Mobile phones	3

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

Cost of Leasehold Land is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

Items of PPE costing up to ₹ 5,000/- are fully depreciated in the year of purchase / capitalisation.

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

1.5 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis as per Schedule II to the Companies Act, 2013. Intangible assets being computer software are amortised over a period of three years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

1.6 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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 the 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.

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 impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash generating unit. 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.

1.7 Inventories

Inventories are valued as follows:

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

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.

1.8 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit / (loss) for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.10 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. 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.

A Contingent liability is disclosed in case of a present obligation arising from past events, when 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. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

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

1.11 Revenue Recognition

i. Revenue from Contracts with Customers

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. 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.

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

ii. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii. Income Recognition

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

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

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.

1.12 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets acquired under finance leases are recognised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating Leases:

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight-line basis over the term of the relevant lease.

1.13 Employee Share-based Payments

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

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.

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.

The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share, unless it is anti-dilutive.

1.14 Employee benefits

i. Short-term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ii. Long-term employee benefits

a. Defined Contribution Plan:

Provident and Family Pension Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to Regional Provident Fund Commissioner, Rajkot, Gujarat. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Consolidated Statement of Profit and Loss as incurred.

Superannuation Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of Superannuation fund, in which the Company makes annual contribution at a specified percentage of the employee's eligible salary (currently 15%) subject to maximum of ₹ 1.50 lacs. The contributions are made to Life Insurance Corporation of India. Superannuation Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Consolidated Statement of Profit and Loss as incurred.

b. Defined Benefit Plan:

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Consolidated Balance Sheet date. The Company pays these benefits as and when due based on its own liquidity.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the Consolidated Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI). Remeasurement is not reclassified to Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation.

Compensated absences**:**

The Company provides for encashment of absence or absence with pay subject to certain rules. The employees are entitled to accumulate absences subject to certain limits for future encashment / availment. The liability is recognised based on number of days of unutilised leave at each Consolidated Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated Statement of Profit and Loss in the period in which they arise.

1.15 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

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 generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.16 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the reporting period.

1.17 Foreign Currency Transactions

Transactions in foreign currencies (Monetary or Non-monetary items) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. 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.

1.18 Financial Instruments

Financial assets and Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

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

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and transaction costs, other premiums or discounts, paid or received that form an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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, 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Derecognition of Financial Assets:

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.

Financial liabilities and equity instruments:

- **Classification as Debt or Equity:**

  Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity Instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

  Equity instruments issued by the Group are recognised at the proceeds received.

Derecognition of Financial Liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.19 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the consolidated financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgements:

The key assumptions concerning the future and other major 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:

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised based upon the likely timing and the level of future taxable profits. Also refer Note 33.

Property, Plant and Equipment/Intangible Assets:

Property, Plant and Equipment/Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of gratuity obligations and compensated absences are determined based on 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, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer Note 36.

Fair Value measurements 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 (DCF) 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. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables:

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.

Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future ouflow 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 account of changing facts and circumstances.

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, risk free rate 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.

1.20 Ind AS issued but not yet effective

On March 30, 2019, Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has issued the following new and amendments to Ind ASs and are effective from accounting periods beginning on or after April 1, 2019. The Group intends to adopt these standards, if applicable, from April 1, 2019.

Ind AS 116 – Leases

Ind AS 116 on "Leases" will replace the existing leases standard, Ind AS 17 on "Leases". The new standard sets out the principles of recognition, measurement, presentation and disclosure for both parties to a lease contract, i.e. the lessee and the lessor. The core principle of the new standard is that an entity should recognise most leases on its balance sheet. The new standard introduces a single lessee accounting model with limited exemptions and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Consolidated Statement of Profit and Loss. Further, the standard also requires the enhanced disclosures. Ind AS 116 substantially carries forward the lessor accounting requirements as in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors".
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

If a lessee elects to apply modified approach, the lessee shall not restate comparative information. Instead, the lessee shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The Group has evaluated the effect of this on its consolidated financial statements and the impact is not material.

Ind AS 12 - Income Taxes

Appendix C, Uncertainty over Income Tax Treatments

This amendment is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, (1) the entity need to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which better predicts of the resolution of the uncertainty, (2) the entity is to assume that the taxation authority will have right to examine and have full knowledge of all related information when making those examinations, (3) entity has to consider whether it is probable that the taxation authority will accept the tax treatment and accordingly, determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Group does not expect any significant impact of the amendment on its consolidated financial statements.

Consequences of Dividend :

The amendment is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this amendment. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Ind AS 19 – Employee Benefits - Plan amendment, curtailment or settlement

The amendments require an entity:

- if a plan amendment, curtailment or settlement occurs, to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company will apply the pronouncement if and when plan amendment, curtailment or settlement occurs.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Investments in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 on "Financial Instruments", to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control/joint control of a business that is joint operation.

Ind AS 109 – Financial Instruments - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its consolidated financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Land										
Freehold	26,040.15	**-**	**-**	**26,040.15**	-	**-**	**-**	**-**	**26,040.15**	26,040.15
Leasehold	304.39	**-**	**-**	**304.39**	57.57	**4.16**	**-**	**61.73**	**242.66**	246.82
Buildings	4,672.06	**469.82**	**-**	**5,141.88**	2,472.30	**82.65**	**-**	**2,554.95**	**2,586.93**	2,199.76
Plant and Equipment	26,080.57	**605.00**	**173.20**	**26,512.37**	14,377.48	**553.96**	**7.63**	**14,923.81**	**11,588.56**	11,703.09
Furniture and Fixtures	1,215.92	**251.98**	**-**	**1,467.90**	834.99	**89.61**	**-**	**924.60**	**543.30**	380.93
Vehicles	1,765.14	**62.42**	**157.63**	**1,669.93**	917.37	**178.17**	**112.13**	**983.41**	**686.52**	847.77
Computers	392.37	**16.25**	**-**	**408.62**	365.62	**13.73**	**-**	**379.35**	**29.27**	26.75
Office Equipment	688.10	**44.27**	**3.74**	**728.63**	555.92	**51.98**	**3.54**	**604.36**	**124.27**	132.18
Total	61,158.70	**1,449.74**	**334.57**	**62,273.87**	19,581.25	**974.26**	**123.30**	**20,432.21**	**41,841.66**	41,577.45

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Capital Work-in-progress	573.15	**336.40**	**902.33**	**7.22**	-	**-**	**-**	**-**	**7.22**	573.15

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2018	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2019**	As at April 1, 2018	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Computer Software	106.86	**12.01**	**-**	**118.87**	101.42	**4.56**	**-**	**105.98**	**12.89**	5.44
Membership Fees	78.97	**-**	**-**	**78.97**	78.97	**-**	**-**	**78.97**	**-**	-
Total	185.83	**12.01**	**-**	**197.84**	180.39	**4.56**	**-**	**184.95**	**12.89**	5.44

Notes :

a. Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

b. Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

c. Plant and Equipment are pledged as security for Term loan taken from HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Land										
Freehold	26,040.15	-	-	26,040.15	-	-	-	-	26,040.15	26,040.15
Leasehold	288.39	16.00	-	304.39	52.40	5.17	-	57.57	246.82	235.99
Buildings	3,776.53	895.53	-	4,672.06	2,391.46	80.84	-	2,472.30	2,199.76	1,385.07
Plant and Equipment	20,332.93	5,747.64	-	26,080.57	13,928.77	448.71	-	14,377.48	11,703.09	6,404.16
Furniture and Fixtures	1,271.50	41.84	97.42	1,215.92	831.18	100.63	96.82	834.99	380.93	440.32
Vehicles	1,957.55	77.44	269.85	1,765.14	906.35	223.96	212.94	917.37	847.77	1,051.20
Computers	430.25	8.54	46.42	392.37	393.93	17.26	45.57	365.62	26.75	36.32
Office Equipment	808.76	17.82	138.48	688.10	631.34	59.16	134.58	555.92	132.18	177.42
Total	54,906.06	6,804.81	552.17	61,158.70	19,135.43	935.73	489.91	19,581.25	41,577.45	35,770.63

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Capital Work-in-progress	2,176.13	4,522.59	6,125.57	573.15	-	-	-	-	573.15	2,176.13

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	**Additions / Adjustments**	**Deductions / Adjustments**	**As at March 31, 2018**	As at April 1, 2017	**For the Year**	**Deductions / Adjustments**	**As at March 31, 2018**	**As at March 31, 2018**	As at March 31, 2017
Computer Software	102.63	4.23	-	106.86	91.52	9.90	-	101.42	5.44	11.11
Membership Fees	78.97	-	-	78.97	74.05	4.92	-	78.97	-	4.92
Total	181.60	4.23	-	185.83	165.57	14.82	-	180.39	5.44	16.03

Notes :

a. Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

b. Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

c. Plant and Equipment are pledged as security for Term loan taken from HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
3	**Investments : Non-current**		
	Investments measured at Amortised Cost		
	In Government Securities		
	Unquoted		
	6 Years National Savings Certificates (Maintained as security deposit with Government authorities)	**0.14**	0.14
	Investments measured at Fair Value through Other Comprehensive Income (FVTOCI)		
	In Equity Instruments of Others		
	Quoted		
	1,36,58,267 (Previous Year: 1,36,58,267) Equity Shares of Saurashtra Cement Limited of ₹ 10 each	**6,494.51**	9,492.50
	Unquoted		
	21,20,000 (Previous Year: 21,20,000) Equity Shares of Bhadreshwar Vidyut Private Limited (Formerly OPGS Power Gujarat Pvt. Ltd.) of ₹ 0.10 each	**4.03**	4.03
		6,498.68	9,496.67
	Aggregate amount of		
	Quoted Investments	**6,494.51**	9,492.50
	Unquoted Investments	**4.17**	4.17
	Impairment in value of Investments	**-**	-
		6,498.68	9,496.67
	Aggregate Market Value of Quoted Investments	**6,494.51**	9,492.50

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
4	**Loans : Non-current**		
	Considered good - Unsecured		
	Security Deposits	**651.62**	718.12
	Staff Loans	**6.34**	12.57
		657.96	730.69
	Loan Receivables which have significant increase in credit risk	**-**	-
	Loan Receivables - credit impaired		
	Security Deposits	**5.00**	**-**
	Other Loans and advances	**323.92**	323.92
		986.88	1,054.61
	Less : Provision for impairment	**328.92**	323.92
		657.96	730.69

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
5	**Other Financial Assets : Non-current**		
	Fixed Deposits with Bank maturing after 12 months		
	Held as Margin money against Guarantees	**0.67**	63.66
	Held as Security against Overdraft facilities (Refer Note 19)	**-**	706.49
	Others	**0.87**	2.40
		1.54	772.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
6	**Other Non-current assets**		
	Capital Advances	**39.53**	31.70
	Advances other than Capital Advances		
	Taxes paid (Net of Provision of ₹ 23.09 lacs, Previous Year: ₹ Nil)	**316.43**	145.36
	Pre-deposit with Government Authorities against Appeals	**165.61**	95.44
	Prepaid Expenses	**1.85**	1.57
		523.42	274.07

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
7	**Inventories**		
	Raw Materials	**476.56**	223.46
	Raw Materials-in-transit	**8.47**	30.93
	Packing Materials	**71.99**	92.25
	Work-in-progress	**1,432.32**	1,719.74
	Finished goods	**411.12**	155.21
	Stores and Spares	**1,130.33**	1,011.98
	Stores and Spares-in-transit	**26.68**	2.37
	Fuel	**354.03**	502.80
	Fuel-in-transit	**1,871.50**	851.92
		5,783.00	4,590.66

7.1 The cost of inventories recognised as an expense during the year is ₹ 7,000.88 Lacs (Previous Year ₹ 5,936.42 Lacs) as included in Notes 27 and 28.

7.2 There has been no write down of inventory or reversal of such write down in current and previous year.

7.3 For mode of valuation of inventories : Refer Note 1.7

7.4 Inventories are pledged as security for Term loan taken from HDFC Bank Limited for Waste Heat Recovery Power Plant. (Refer Note 16.1)

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
8	**Trade Receivables**		
	Considered good - Unsecured		
	Amount Receivable from a Related Party [(Refer Note 38.2(B)(ii)]	**65.28**	43.39
	Others	**1,297.21**	1,150.11
		1,362.49	1,193.50
	Trade Receivables - credit impaired	**23.07**	23.07
		1,385.56	1,216.57
	Less : Provision for Impairment	**23.07**	23.07
		1,362.49	1,193.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
9	**Cash and Cash Equivalents**		
	Balances with Banks in Current Accounts	**256.01**	949.91
	Fixed Deposit with Bank having original maturity of three months	**25.00**	-
		281.01	949.91

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
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	**891.80**	499.06
	Held as Security against Overdraft facilities (Refer Note 19)	**3,373.92**	2,848.36
	Others	**125.69**	6.88
		4,391.41	3,354.30
	Earmarked Balances		
	For Unpaid Equity Dividend	**16.08**	14.33
	For Money received on sale of fractional shares	**0.21**	0.19
		16.29	14.52
		4,407.70	3,368.82

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
11	**Loans : Current**		
	Considered good - Unsecured		
	Staff Loans	**10.87**	13.96
	Other Loans and advances	**-**	60.25
		10.87	74.21

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
12	**Other Financial Assets : Current**		
	Interest Accrued on Fixed Deposits	**195.22**	129.90
		195.22	129.90

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
13	**Other Current Assets**		
	Considered good - Unsecured		
	Advances against purchase of Stores and Spares	**42.92**	153.17
	Advance Royalty on Limestone / Marl	**152.64**	181.31
	Balances with Statutory / Government Authorities	**55.95**	33.04
	Prepaid Expenses	**104.26**	78.01
	Others	**65.49**	54.03
		421.26	499.56
	Considered Doubtful		
	Advance against purchase of Stores and Spares	**2.44**	4.24
		423.70	503.80
	Less : Provision for Doubtful advances	**2.44**	4.24
		421.26	499.56

			As at March 31, 2019 Numbers	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 Numbers	As at March 31, 2018 ₹ in lacs
14	**Equity Share Capital**					
	a.	**Authorised :**				
		Equity Shares of ₹ 10 par value	**500,000,000**	**50,000.00**	500,000,000	50,000.00
	b.	**Issued :**				
		Equity Shares of ₹ 10 par value	**144,816,075**	**14,481.61**	144,816,075	14,481.61
	c.	**Subscribed :**				
		Equity Shares of ₹ 10 par value	**86,965,840**	**8,696.58**	86,206,932	8,620.69
	d.	**Paid up :**				
		Equity Shares of ₹ 10 par value, fully paid up	**86,912,760**	**8,691.28**	86,153,852	8,615.39
		Add : Forfeited Shares		**5.30**		5.30
				8,696.58		8,620.69

e. Rights, preferences and restrictions :

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 share is entitled to one vote per share.

ii. The Company declares and pays dividend in Indian rupees. 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 ensuing 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. However, no such preferential amounts exist currently.

iv. In respect of Share-based Payments to Employees, that is, granting of Employee Stock Options - Refer Note 40.

		As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
f.	**Shares of Company held by its Parent:**				
	Bhadra Textiles and Trading Private Limited	**48,800,000**	**4,880.00**	48,800,000	4,880.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

g. Details of shares in the Company held by each shareholder holding more than 5 per cent shares :

S. No.	Name of the Shareholder	As at March 31, 2019 No. of Shares	As at March 31, 2019 % of share-holding	As at March 31, 2018 No. of Shares	As at March 31, 2018 % of share-holding
i.	Bhadra Textiles and Trading Private Limited	**48,800,000**	**56.15**	48,800,000	56.64
ii.	GIIC Limited	**8,252,697**	**9.50**	8,252,697	9.58

h. Reconciliation of number of Equity Shares and Paid up Equity Share Capital :

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39
Add : Shares issued during the year on exercise of Employee Stock Options	**758,908**	**75.89**	-	-
Balance as at the end of the year	**86,912,760**	**8,691.28**	86,153,852	8,615.39

i. Details of Equity Shares reserved for issue under Share Options Outstanding at the end of the year :

Particulars	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in lacs
Equity Shares reserved for issue under Employee Stock Options	**2,887,871**	**288.79**	3,647,779	364.78

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
15	**Other Equity**		
i.	**Share Application Money pending allotment**	**0.10**	-
ii.	**Reserves and Surplus**		
a.	**Capital Reserve**		
	Government Subsidy	**26.95**	26.95
	Capital Reduction Account	**6,921.68**	6,921.68
	On Consolidation	**8.58**	8.58
		6,957.21	6,957.21
b.	**Securities Premium**		
	Balance as at the beginning of the year	**-**	-
	Add : Transferred on exercise of Employee Stock Options	**183.35**	-
		183.35	-
c.	**Share Options Outstanding**		
	Balance as at the beginning of the year	**78.37**	-
	Add : Share-based Payments to Employees	**508.66**	78.37
	Less : Employee Stock Options Exercised	**183.35**	-
		403.68	78.37
d.	**Retained Earnings**		
	Balance as at the beginning of the year	**25,204.69**	20,703.47
	Add/(Less) : Profit / (Loss) for the year	**(586.61)**	4,492.95
	Add/(Less) : Remeasurement gain / (loss) on defined benefit plan (net of tax)	**(43.34)**	8.27
		24,574.74	25,204.69

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
iii.	**Equity Instruments through Other Comprehensive Income**		
	Balance as at the beginning of the year	**(1,360.90)**	11.70
	Add/(Less) : Movement during the year	**(2,997.99)**	(1,372.60)
		(4,358.89)	(1,360.90)
		27,760.19	30,879.37

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 1000 shares is pending as at the year end.

b. Capital Reserve

It represent gains of capital nature. Capital reserve is mainly on account of reduction of paid up capital in earlier year in pursuance of Hon'ble BIFR order. It also consists of Government Subsidy received in earlier years.

c. Securities Premium

It represents those share based payments to employees for which stock options have been exercised by employees.

d. Share Options Outstanding

The Company has Gujarat Sidhee 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.

e. 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.

f. Equity Instruments through Other Comprehensive Income

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

	Non-current		**Current maturities of Long-term borrowings***	
	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
16 Borrowings : Non-current				
Secured				
Term Loans				
From Bank	**2,501.67**	3,240.89	**758.72**	802.50
From Other Parties	**9.56**	18.26	**8.71**	7.93
	2,511.23	3,259.15	**767.43**	810.43

* Amounts disclosed under the head 'Other Financial Liabilities : Current' (Note 21).

16.1 Security and Repayment Terms :

i. Term Loan from HDFC Bank Limited obtained by Company is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Company. This is further secured by personal guarantee of one of the Promoter Directors of the Company, Corporate guarantee of Subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by Subsidiary Company. The Term Loan is repayable in 22 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

ii. Term loans from Banks/other parties obtained by Company in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest rates ranging from 8% to 10% p.a.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
17 Provisions : Non-current		
For Employee Benefits (Refer Note 36)		
Gratuity	**821.65**	782.33
Compensated absences	**278.14**	287.22
	1,099.79	1,069.55

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
18 Deferred Tax Liabilities (Net)		
Tax effect of items constituting Deferred Tax Assets (Refer Note 33)	**4,805.25**	3,690.19
Tax effect of items constituting Deferred Tax Liabilities (Refer Note 33)	**8,349.70**	7,837.28
	3,544.45	4,147.09

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
19 Borrowings : Current		
Secured		
Loans repayable on demand from Banks		
Overdraft	**2,151.42**	560.23
Unsecured		
Loans repayable on demand from others	**-**	150.00
	2,151.42	710.23

The overdraft from bank is secured against lien of FDRs of ₹ 3,373.92 lacs (Previous Year: ₹ 3,554.85) - Refer Notes 5 and 10.

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
20 Trade Payables		
Due to Micro enterprises and Small enterprises	**117.91**	40.49
Due to others	**8,489.37**	7,110.53
	8,607.28	7,151.02
Additional disclosure in respect of dues to Micro, Small and Medium enterprises :		
i. Principal amount remaining unpaid	**117.91**	40.49
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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
21 Other Financial Liabilities : Current		
Current maturities of Long-term borrowings *		
Term Loans		
From Banks	**758.72**	802.50
From Others	**8.71**	7.93
Unpaid Dividend	**16.08**	14.33
Unclaimed money against sale of fractional shares	**0.21**	0.19
Security Deposits from Customers / Transporters	**641.63**	636.35
Security Deposits - Others	**9.72**	8.45
Remuneration Payable to Key Managerial Personnel [Refer Note 38.2(B)(i)(a) & (b)]	**28.96**	60.06
Liabilities for expenses at the year-end	**691.88**	884.75
Others	**13.67**	10.29
	2,169.58	2,424.85

* Refer Note 16.1 for security given.

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
22 Other Current Liabilities		
Advance from Customers	**1,555.13**	2,480.13
Unearned Revenue	**401.93**	227.28
Statutory Dues	**3,150.42**	2,832.62
Others	**62.60**	51.53
	5,170.08	5,591.56

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
23 Provisions : Current		
For Employee Benefits (Refer Note 36)		
Gratuity	**173.07**	150.75
Compensated absences	**117.50**	102.70
	290.57	253.45

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
24 Current Tax Liabilities (Net)		
Provision for Taxation	**3.75**	185.71
Less : Taxes Paid	**-**	56.09
	3.75	129.62

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
25	**Revenue from Operations**		
	Sale of Products	**56,212.13**	55,401.09
	Other Operating Revenue	**88.64**	54.90
		56,300.77	55,455.99

25.1 Effective April 1, 2018, the Group has adopted Ind AS 115 on "Revenue from Contracts with Customers", and has opted to apply the modified restrospective approach and accordingly, it is applied retrospectively only to contracts that are not completed at the date of initial application i.e. as on April 1, 2018 and the comparitive information is not restated. The adoption of standard did not have any material impact on financial statements of the Group.

25.2 The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity, consequently, sales for the year ended March 31, 2019 are presented net of GST. Sales for the year ended March 31, 2018 includes excise duty upto June 30, 2017 which now is subsumed in GST. Accordingly, sales for the year ended March 31, 2019 and March 31, 2018, to that extent, are not comparable.

25.3 Sales by Performance Obligations

Performance obligations are satisfied at a point in time i.e. when the customer obtains control of goods on its receipt. In case of export of goods, the control of goods is transferred on receipt of bill of lading / mate receipt.

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
25.4	**Revenue from Contracts with Customers**		
A	**Revenue from contracts with customers disaggregated based on nature of products or services**		
	Revenue from Sale of Products		
	Cement	**50,468.75**	50,013.30
	Clinker	**5,743.38**	5,387.79
		56,212.13	55,401.09
	Other Operating Revenue		
	Scrap Sales	**88.64**	54.23
	Railway claim	**-**	0.67
		88.64	54.90
		56,300.77	55,455.99
B	**Revenue from contracts with customers disaggregated based on geography**		
	Domestic	**56,300.77**	55,455.99
	Export	**-**	-
		56,300.77	55,455.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
25.5 Reconciliation of contract price with Revenue from Operations		
Contract price	**57,141.15**	56,414.59
Less:		
Discounts and Rate differences	**746.43**	832.30
Incentives and Schemes	**177.84**	162.65
Customer's loyalty programme	**1.31**	11.96
Others	**3.44**	6.59
Revenue from sale of products	**56,212.13**	55,401.09
Add: Other Operating Revenue	**88.64**	54.90
Revenue from Operations	**56,300.77**	55,455.99

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
26 Other Income		
Interest Income on		
Fixed Deposits with Banks	**297.21**	281.15
Financial Assets measured at amortised cost	**2.24**	3.58
Others	**37.87**	43.24
	337.32	327.97
Dividend on Non-current investments	**136.58**	-
Insurance claim [includes ₹ 94.34 lacs (Previous Year: ₹ Nil) on damaged PPE]	**110.53**	37.45
Profit on Sale of Property, Plant and Equipment (Net)	**4.45**	8.56
Provision no longer required Written back (Refer Note 26.1)	**47.84**	565.22
Provision for Doubtful Debts / Advances Written back	**1.80**	25.16
Sundry credit balances Written back	**67.32**	16.74
Exchange Rate Fluctuation	**71.93**	76.34
Sales Tax refund	**1.18**	-
Profit on Disassociation of Associate	**-**	551.27
Refund of Transmission of Power Charges	**764.23**	-
Miscellaneous Income	**69.84**	93.91
	1,613.02	1,702.62

26.1 For the year ended March 31, 2018:

The Hon’ble Supreme Court vide its Order dated October 13, 2017, has held applicability of District Mineral Fund (DMF) under Mines and Mineral (Development and Regulations) Amendment Act, 2015 with effect from September 17, 2015. Accordingly, the Company has written back the provision for contribution to DMF of ₹ 261.01 lacs relating to the period before September 17, 2015.

Further, provision no longer required written back also includes reversal of remuneration of ₹ 232.53 lacs to Executive Vice Chairman provided in Financial Year 2016-17 as it is no longer payable due to inadequacy of profit.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
27 Cost of Materials Consumed		
Raw Materials		
Opening Stock	**254.39**	850.35
Add: Purchases	**5,542.48**	2,922.65
Less: Closing Stock	**485.03**	254.39
	5,311.84	3,518.61
Royalty, Cess and Limestone raising cost		
Limestone raising and Transportation	**1,736.58**	1,618.31
Royalty	**887.67**	1,218.67
District Mineral Fund (DMF) and others	**284.05**	389.97
	2,908.30	3,226.95
Packing Materials		
Opening Stock	**92.25**	89.45
Add : Purchases	**1,637.27**	1,586.24
Less : Closing Stock	**71.99**	92.25
	1,657.53	1,583.44
	9,877.67	8,329.00

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
28 Changes in inventories of finished goods and work-in-progress		
Opening Stock		
Finished Goods	**155.21**	216.87
Work-in-progress	**1,719.74**	2,492.45
	1,874.95	2,709.32
Less: Closing Stock	**411.12**	155.21
Finished Goods	**1,432.32**	1,719.74
Work-in-progress	**1,843.44**	1,874.95
	31.51	834.37

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
29 Employee Benefits Expenses		
Salaries and Wages	**3,240.93**	3,052.61
Share based payments to employees (Refer Note 40)	**508.66**	78.37
Contribution to provident and other funds	**212.71**	205.13
Gratuity Expense	**107.52**	140.18
Staff Welfare Expenses	**68.05**	94.04
	4,137.87	3,570.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
30 Finance Costs		
Interest Expense		
On Borrowings	**515.91**	215.01
On Duties and Taxes	**74.40**	64.92
On Others	**50.02**	60.08
Other Borrowing Costs	**0.42**	0.20
	640.75	340.21

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
31 Other Expenses		
Power and Fuel	**23,323.84**	20,517.25
Consumption of Stores and Spares	**1,976.51**	1,646.25
Repair and Maintenance		
Buildings	**173.21**	87.94
Machinery	**1,047.53**	865.37
Others	**374.45**	348.89
	1,595.19	1,302.20
Cement Packing Expenses	**466.96**	447.12
Insurance	**106.73**	90.24
Rent	**206.76**	185.39
Rates and Taxes	**37.36**	35.72
Travelling and Conveyance Expenses	**133.06**	105.81
Legal and Professional Charges	**166.07**	190.68
Freight Outward and Handling Expenses	**12,376.37**	10,247.39
Commission	**1,129.14**	1,065.20
Advertisement and Sales Promotion Expenses	**873.06**	870.76
Payments to the Auditors		
For Statutory Audit	**12.12**	12.12
For Tax Audit	**3.00**	2.00
For Other services	**3.53**	3.92
For Reimbursement of expenses	**1.38**	2.37
	20.03	20.41
Directors' Sitting Fees	**36.70**	33.50
Bad Debts Written off	**-**	7.22
Provision for Impairment of Security Deposits	**5.00**	-
Miscellaneous Expenses	**935.75**	839.87
	43,388.53	37,605.01

32 Since the average net profit of the Group for preceding three financial years is negative, the amount to be spent on Corporate Social Responsibility (CSR) activities under the Companies Act, 2013 has been Nil.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
33	**Disclosure pursuant to Ind AS 12 on "Income Taxes"**		
33.1	**Components of Tax expenses / (income)**		
	a. Profit or Loss section		
	i. Current Income Tax		
	In respect of current year	**3.75**	185.49
	Adjustments in respect of tax of earlier years	**20.87**	-
	Total current income tax	**24.62**	185.49
	ii. Deferred Tax		
	In respect of current year origination and reversal of temporary difference	**(558.68)**	(135.32)
	MAT credit entitlement	**-**	(162.40)
	MAT credit entitlement of earlier years	**(20.69)**	-
	Total Deferred Tax	**(579.37)**	(297.72)
	Income Tax expense / (income) reported in the Profit or Loss section	**(554.75)**	(112.23)
	b. Other Comprehensive Income (OCI) section		
	Remeasurement of Defined Benefit Plan	**(23.28)**	4.82
	Remeasurement of Defined Benefit Plan (Related to share in Associate)	**-**	(0.37)
	Income Tax expense / (income) reported in OCI section	**(23.28)**	4.45
33.2	**Reconciliation of Income Tax expense / (income) and Accounting Profit multiplied by domestic tax rate applicable in India**		
	Profit / (loss) before tax	**(1,141.36)**	3,707.87
	Applicable Tax Rate	**34.944%**	20.389%
	Tax on Accounting Profit	**(398.84)**	755.99
	Tax effect of :		
	Deductible items	**(653.63)**	(5.41)
	Non Deductible items	**53.31**	7.00
	Income exempt from tax	**(47.73)**	-
	Brought forward unabsorbed depreciation	**-**	(496.79)
	Profit on sale of shares in Subsidiary Company	**-**	23.09
	Profit on disassociation of Associate Company (Not taxable)	**-**	(112.40)
	Current year unused tax losses	**1,053.70**	-
	Different Applicable Tax rate in subsidiary	**(3.06)**	-
	Adjustments in respect of tax of earlier years	**20.87**	-
	Others	**-**	14.01
	Current Tax (A)	**24.62**	185.49
	Deferred Tax Liability recognised	**512.42**	404.08
	Deferred Tax Asset recognised	**(1,071.10)**	(539.40)
	MAT Credit entitlement	**-**	(162.40)
	MAT Credit entitlement of earlier years	**(20.69)**	-
	Deferred Tax (B)	**(579.37)**	(297.72)
	Tax expense / (income) recognised in Consolidated Statement of Profit and Loss (A+B)	**(554.75)**	(112.23)
	Effective Tax Rate	**48.60%**	-3.03%

The tax rate used for reconciliation for the current year is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Income Tax Act, 1961. During previous year, Group was liable to pay Tax under MAT provisions of Income Tax Act, 1961 and therefore MAT rate of 20.389% was used.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
33.3 Deductible temporary differences arising from investment in subsidiary on which no DTA is created	**542.27**	-

	As at April 1, 2018 ₹ in lacs	Recognised in Profit and Loss	Recognised in OCI	**As at March 31, 2019 ₹ in lacs**
33.4 Components of Deferred Tax				
a. Deferred Tax Assets :				
Accrued Expenses deductible on cash basis	447.88	(12.27)	-	**435.61**
Provision for Gratuity and Leave Encashment	195.10	0.27	23.28	**218.64**
Provision for Doubtful Debts and Advances	122.73	1.12	-	**123.85**
Unused tax losses (Refer Note 33.5)				
Business Loss	401.93	91.73	-	**493.66**
Unabsorbed Depreciation	1,047.92	990.25	-	**2,038.17**
Unused tax credit - MAT Credit Entitlement (Refer Note 33.5)	1,474.63	20.69	-	**1,495.32**
	3,690.19	1,091.79	23.28	**4,805.25**
b. Deferred Tax Liabilities :				
Fair Valuation of Financial Assets	108.80	(108.80)	-	**-**
Property, Plant and Equipment and Intangible Assets	7,728.48	621.22	-	**8,349.70**
	7,837.28	512.42	-	**8,349.70**
Deferred Tax Liabilities/ (Assets) (Net)	4,147.09	(579.37)	(23.28)	**3,544.45**

	As at April 1, 2017 ₹ in lacs	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2018 ₹ in lacs
a. Deferred Tax Assets :				
Accrued Expenses deductible on cash basis	498.15	(50.27)	-	447.88
Provision for Gratuity and Leave Encashment	139.54	60.38	(4.82)	195.10
Provision for Doubtful Debts and Advances	116.73	6.00	-	122.73
Unused tax losses (Refer Note 33.5)				
Business Loss	-	401.93	-	401.93
Unabsorbed Depreciation	926.56	121.36	-	1,047.92
Unused tax credit - MAT Credit Entitlement (Refer Note 33.5)	1,312.23	162.40	-	1,474.63
	2,993.21	701.80	(4.82)	3,690.19
b. Deferred Tax Liabilities :				
Fair Valuation of Financial Assets	102.94	5.86	-	108.80
Property, Plant and Equipment and Intangible Assets	7,330.26	398.22	-	7,728.48
	7,433.20	404.08	-	7,837.28
Deferred Tax Liabilities/ (Assets) (Net)	4,439.99	(297.72)	4.82	4,147.09

33.5 The Company has recognised Deferred Tax Asset on carry forward of unused tax losses and unused tax credit as the Management expects that there will be sufficient taxable income in view of improved demand for Cement and installation of Waste Heat Recovery Power Plant which will result into saving in cost of power. Consequently, the unused tax losses and unused tax credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in forseeable future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
34	**Contingent liabilities**		
	(to the extent not provided for)		
	Claims against the company not acknowledged as debt - matters under disputes / appeals :		
	i. Excise duty on Cement	**3,402.84**	1,230.28
	ii. Custom Duty on Coal	**72.85**	74.09
	iii. Service Tax	**143.72**	150.61
	iv. Sales Tax / VAT	**452.73**	452.73
	v. Octroi	**38.49**	38.49
	vi. Claims filed by workmen or their union against the Company	**6.45**	3.00
	vii. House Tax	**82.79**	82.79
	viii. Land Compensation	**444.25**	459.38
	ix. Others	**17.50**	17.50

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.

iv. A demand of Income tax for Assessment Year 2016-17 of ₹ 5,44,842/- was lodged during the financial year in respect of subsidiary company. The subsidiary company has not accepted the demand and taken legal opinion of Appeal. The management is of the view that no further significant liability will arise.

		As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
35	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 39.53 lacs, Previous Year: ₹ 31.70 lacs)	**132.38**	179.62

36 Disclosure pursuant to Ind AS 19 on "Employee benefits"

36.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating to ₹ 212.71 lacs (Previous Year: ₹ 205.13 lacs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

36.2 Defined Benefit Plan : Gratuity (Unfunded)

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

Gratuity is paid by the Company as and when it becomes due and is paid as per the scheme for Gratuity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36.3 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. Asset Liability Matching Risk :

The plan faces the ALM risk as to the matching cash flow. The Company manages the cash flow based on its own liquidity as and when it becomes due.

iii. 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.

iv. 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 and 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.

v. Mortality Risk :

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

vi. 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, 1972; 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 recognised immediately in the year when any such amendment is effective.

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
36.4 i. Changes in Present Value of Obligations	**Gratuity Unfunded**	Gratuity Unfunded
Present Value of Obligation at the beginning	**933.08**	849.18
Current Service Cost	**36.98**	37.80
Past Service Cost	**-**	38.61
Interest Cost	**70.54**	63.77
Actuarial (Gain) / Loss due to :		
- Change in Financial Assumptions	**3.69**	(2.06)
- Experience Changes	**62.93**	(11.72)
Benefits paid	**(112.50)**	(42.50)
Present Value of Obligation as at the end	**994.72**	933.08
ii. Amount recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	**36.98**	37.80
Past Service Cost	**-**	38.61
Interest Cost	**70.54**	63.77
	107.52	140.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
iii.	**Amount recognised in Other Comprehensive Income**		
	Components of Actuarial (Gain) / Loss :		
	Change in Financial Assumptions	**3.69**	(2.06)
	Experience Changes	**62.93**	(11.72)
		66.62	(13.78)
iv.	**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	**(39.28)**	(39.18)
	1% decrease in discount rate	**43.24**	43.15
	1% increase in salary escalation rate	**42.49**	42.66
	1% decrease in salary escalation rate	**(39.29)**	(39.45)
	1% increase in employee turnover rate	**4.44**	4.54
	1% decrease in employee turnover rate	**(4.88)**	(4.99)

		As at March 31, 2019 ₹ in lacs Gratuity Unfunded	As at March 31, 2018 ₹ in lacs Gratuity Unfunded
v.	**Amount recognised in Balance Sheet**		
	Gross value of Present Obligation at the end	**994.72**	933.08
vi.	**Maturity Profile of the Defined Benefit Obligation**		
	1st Following Year (Within next 12 months)	**173.07**	150.75
	2nd Following Year	**95.38**	103.36
	3rd Following Year	**168.67**	104.92
	4th Following Year	**154.93**	134.48
	5th Following Year	**123.56**	139.83
	Sum of Years 6 to 10	**406.46**	435.48
	Sum of Years 11 and above	**353.39**	352.38
vii.	**Assumptions**		
	Mortality Table - Indian Assured Life Mortality 2006-08	**2006-08**	2006-08
	Discount Rate	**7.47%**	7.56%
	Rate of increase in compensation levels	**5.50%**	5.50%
	Attrition Rate	**2.00%**	2.00%
viii.	Weighted average duration of Defined Benefit Obligation	**5 Years**	6 Years

ix. 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.

x. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

* 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 corelated. 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.

37 Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Managing Director of the Group to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of manufacturing of Cement and Clinker, which is the only operating segment as per Ind AS 108.

38 Disclosure pursuant to Ind AS 24 on "Related Party Disclosures"

38.1 List of related parties :

i. Parent :

Bhadra Textiles and Trading Private Limited

ii. Ultimate Controlling Party :

Galaxy Technologies Private Limited

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

a. Saurashtra Cement Limited
b. Sumaraj Holding Private Ltd.
c. Sunnidhi Trading Private Ltd.
d. Shree Anandeya Investment Pvt. Ltd.
e. Sameta Exports Private Ltd.
f. Pallor Trading Company Private Ltd.
g. The Arj Investments Limited
h. Treasurer's Trading Limited
i. GIIC Limited
j. Samja Mauritius Limited
k. Mehta Investments Pte Limited

iv. List of Key Management Personnel with whom transactions were carried out during the year :

a.	Mr. M. N. Mehta	Chairman
b.	Mr. Jay Mehta	Executive Vice Chairman
c.	Mr. M. S. Gilotra	Managing Director
d.	Mrs. Juhi Chawla Mehta	Non-Executive Director
e.	Mr. Hemnabh R. Khatau	Non-Executive Director
f.	Mr. Venkatesh Mysore	Non-Executive Director
g.	Mr. Y. K. Vyas	Non-Executive Director
h.	Mr. S. V. S. Raghavan	Independent Director
i.	Mr. M. L. Tandon	Independent Director
j.	Mr. P.K. Behl *	Independent Director
k.	Mr. Ashwani Kumar **	Independent Director
l.	Mrs. Bhagyam Ramani	Independent Director
m.	Mr. M. N. Rao	Independent Director
n.	Mr. Bimal R. Thakkar	Independent Director
o.	Mr. Kailash N. Bhandari	Independent Director

* Ceased to be director w.e.f. March 8, 2019

** Appointed w.e.f. February 12, 2019

v. Enterprise having Key Management Personnel in common :

Saurashtra Cement Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

38.2 Transactions and Balances with related parties :

A Transactions with related parties :

i. Compensation paid to Key Management Personnel :

	For the year ended March 31, 2019 ₹ in lacs		For the year ended March 31, 2018 ₹ in lacs	
Key Management Personnel	**Short-term employee benefits**	**Share-based payment**	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a below)	**159.84**	**-**	37.05	-
Mr. M. S. Gilotra (Refer Note a and b below)	**233.12**	**-**	202.22	108.55

a. As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

b. The Share-based payment for the year ended March 31, 2018 represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
ii. Transactions with Key Management Personnel :		
a. Directors sitting fees	**36.70**	33.50
iii. Transactions with Saurashtra Cement Limited :		
a. Purchase of goods and materials	**-**	29.59
b. Sale of goods and materials	**1,868.62**	722.97
c. Expenses / (Recovery) for services (net)	**76.12**	20.09
d. Dividend Income on Investment in Equity Shares	**136.58**	141.58

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
B Outstanding Balances as at the year-end		
i. Balances with Key Management Personnel :		
Other Financial Liabilities : Current		
a. Remuneration payable to Mr. M S Gilotra	**18.58**	22.81
b. Remuneration payable to Mr. Jay M Mehta	**10.38**	37.25
ii. Balance with Associate - Saurashtra Cement Limited :		
Trade Receivables	**65.28**	43.39
iii. Personal Guarantee given by Mr. Jay Mehta for Term Loan given by HDFC Bank Ltd. (Refer Note 16.1)		
Balance Term Loan outstanding	**3,129.08**	3,823.41
iv. Corporate Guarantee given by the Subsidiary Villa Trading Company Private Limited for Term Loan given by HDFC Bank Ltd. (Refer Note 16.1)		
Balance Term Loan outstanding	**3,129.08**	3,823.41

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

39 Capital Management

The primary objective of Group's Capital Management is to maximise the shareholder's 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 both current and non-current (including current maturities) borrowings and equity includes issued equity capital, securities 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. Gross Debt to Equity ratio is as under :

	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Total Debt (A)	**5,430.08**	4,779.81
Total Equity (B)	**36,456.77**	39,500.06
Gross Debt Equity Ratio (A/B)	**0.15**	0.12

40 Disclosure pursuant to Ind AS 102 on "Share-based Payment"

40.1 Gujarat Sidhee Employee Stock Option Scheme 2017

In the Annual General Meeting held on July 25, 2017, Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017) was approved by the Shareholders. 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	36,47,779
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)	24.16 (Vest 1), 24.87 (Vest 2), 26.53 (Vest 3) 25.20 (per Option)
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, 2019 Nos	Weighted average exercise price per option (₹)	As at March 31, 2018 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	**3,647,779**	**10**	-	-
Granted during the year	**-**	**-**	3,647,779	10
Exercised during the year	**759,908**	**10**	-	-
Forfeited / lapsed during the year	**-**	**-**	-	-
Outstanding at the end of the year	**2,887,871**	**10**	3,647,779	10
Options exercisable at the end of the year	**443,859**	**10**	-	-

The weighted average share price during the period of exercise of options was ₹ 22.57 per share, Previous Year: NA. Weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 3 years and 8 months (Previous Year: 4 years and 4.5 months)

40.3 Fair Valuation of Options Granted

No options were granted during the year. The fair valuation of option 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 market price of the share one day prior to the date of grant 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 : 48.47% (Vest 1), 48.04% (Vest 2), 66.60% (Vest 3)

iv. Dividend Yield : Nil

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 ₹ 508.66 lacs (Previous Year: ₹ 78.37 lacs)

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Assets at Amortised cost :			
Trade Receivables	8	**1,362.49**	1,193.50
Loans	4 and 11	**668.83**	804.90
Investments	3	**0.14**	0.14
Cash and Bank Balances	9 and 10	**4,688.71**	4,318.73
Other Financial Assets	5 and 12	**196.76**	902.45
Financial Assets at Fair Value through Other Comprehensive Income :			
Investments	3	**6,498.54**	9,496.53
Total		**13,415.47**	16,716.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Note	As at March 31, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Liabilities at Amortised cost :			
Term Loan from Banks (Non-current)	16	**2,511.23**	3,259.15
Overdraft against lien of Bank Fixed Deposits	19	**2,151.42**	710.23
Trade Payables	20	**8,607.28**	7,151.02
Other Financial Liabilities	21	**2,169.58**	2,424.85
Total		**15,439.51**	13,545.25

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 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 shares 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 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, 2019 ₹ in lacs	As at March 31, 2018 ₹ in lacs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	**6,494.51**	9,492.50
Investments - Level 3	**4.03**	4.03
Total	**6,498.54**	9,496.53

There is no transfer between Level 1 and Level 3 during the year.

Reconciliation of Level 3 Fair Value Measurements:

Balance as at April 1, 2018	**4.03**
Add / (Less): Changes during the year	**-**
Balance as at March 31, 2019	**4.03**

Since the Level 3 investment value is not significant, 1% increase (decrease) in the input will have negligible impact.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

41.3 Financial Risk Management Framework

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets comprises of trade and other receivables and cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Group's activities exposes it to market risk, credit risk and liquidity risk. Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's senior management oversees the management of these risks. They provide assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

The sources of risks which the Group 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 transactions 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.

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 Group has designed risk management framework 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 Group'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 Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
Trade Advances		
Euro	**-**	4.34

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 Group's exposure to the risk of changes in market interest rates relates only to the overdraft facility availed in INR against fixed deposits. The Group doesn't have foreign currency borrowings. The Group 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 Group 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 Group 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 Group has no significant concentration of credit risk with any counterparty.

Trade Receivables :

Customer credit is managed as per Group's established policies and procedures and control related to customer credit risk management. The Group has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Deposits are taken from customers as per agreement with them. Wherever the Group assesses the credit risk as high, the exposure is backed by bank guarantee / letter of credit in addition to security deposits.

Outstanding receivable from customers 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 Group does not have higher concentration of credit risks to a single customer.

Export sales is mainly against advance payment or letter of credit.

Total Trade receivable as at March 31, 2019 is ₹ 1,385.56 lacs (Previous Year: ₹ 1,216.57)

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 Group makes provision for impairment based on specific identification. This is further substantiated by the fact that no bad debt has been written of during the current year and entire bad debt written off during the previous year was fully provided for in earlier years. The Group will reassess the model periodically and make the necessary adjustments for loss allowance, if required. Since the Group does not separately track changes in credit risk of Trade Receivables, the disclosure for Trade Receivables under Note 8, as required under Schedule III is suitably modified. The movement in provision for impairment is as below:

Particulars	**As at March 31, 2019 ₹ in lacs**	As at March 31, 2018 ₹ in lacs
Opening Provision	**23.07**	48.23
Add : Provided during the year	**-**	-
Less : Utilised / written back during the year	**-**	25.16
Closing Provision	**23.07**	23.07

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 lacs

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 borrowings)	**2,918.85**	**2,511.23**	**-**	**5,430.08**
Trade payables	**8,607.28**	**-**	**-**	**8,607.28**
Other financial liabilities	**1,402.15**	**-**	**-**	**1,402.15**

₹ in lacs

As at March 31, 2018	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	1,520.66	2,907.40	351.75	4,779.81
Trade payables	7,151.02	-	-	7,151.02
Other financial liabilities	1,614.42	-	-	1,614.42

42 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2019:

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 :								
Gujarat Sidhee Cement Limited	82.09%	29,929.00	122.39%	(717.97)	1.43%	(43.36)	20.99%	(761.33)
Subsidiary (Indian):								
Villa Trading Company Pvt. Ltd	17.91%	6,527.77	-22.39%	131.36	98.57%	(2,997.97)	79.01%	(2,866.61)
Non controlling interest	-	-	-	-	-	-	-	-
Joint Venture	-	-	-	-	-	-	-	-
Total	100.00%	36,456.77	100.00%	(586.61)	100.00%	(3,041.33)	100.00%	(3,627.94)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lacs	For the year ended March 31, 2018 ₹ in lacs
43 Earning Per Share:		
Weighted average number of equity shares of ₹ 10 each		
No. of shares issued on exercise of Stock Options	**758,908**	-
Number of Days in the current year for the above shares issued	**7**	-
Weighted average number of shares issued on exercise of Stock Options	**14,554**	-
Balance at beginning of year	**86,153,852**	86,153,852
Weighted average number of equity shares of ₹ 10 each	**86,168,406**	86,153,852
Net Profit / (Loss) after Tax	**(586.61)**	4,492.95
Basic earnings per share (in ₹)	**(0.68)**	5.22
Equity Shares to be allotted in future against grant of options to Employees under Employee Stock Option Scheme (ESOS) 2017	**28,87,871 ***	36,47,779 **
Diluted earnings per share (in ₹)	**(0.68)**	5.22

* As the Group has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

** These Equity Shares could potentially dilute basic earnings per share (EPS) in the future but are not included in the calculation of diluted EPS because they are anti-dilutive for the year.

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

As per our Report of even date attached

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

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 24, 2019

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
S. V. S. Raghavan	Director
M. S. Gilotra	Managing Director
V. R. Mohnot	CFO & Company Secretary

Mumbai, Dated May 24, 2019

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 statements of subsidiaries

(₹ in Lakhs)

Sl. No.	**1**
Name of the Subsidiary Company	**Villa Trading Company Pvt. Ltd.**
Financial Year ending on	March 31, 2019
Reporting Currency	Indian Rupee
Share capital	4,175.02
Reserves & Surplus	2,331.80
Total Assets	6,555.43
Total Liabilities	48.62
Investments	6,494.46
Turnover	156.65
Profit / (Loss) before taxation	154.63
Provision for taxation	3.44
Profit / (Loss) after taxation	151.18
Proposed Dividend	-
% of shareholding	100%

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
S. V. S. Raghavan	Director
M. S. Gilotra	Managing Director
V. R. Mohnot	CFO & Company Secretary

Mumbai, Dated May 24, 2019

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