



Saurashtra Cement  
Limited

**55<sup>TH</sup>**

**ANNUAL  
REPORT**

**2012-2013**



## Board of Directors

**As on 28.05.2013**

**Mr. M. N. Mehta**

**Mr. Jay M. Mehta**

**Mr. Hemang D. Mehta**

**Mr. M. N. Rao**

**Mr. S. V. S. Raghavan**

**Mr. B. P. Deshmukh**

**Mr. K. N. Bhandari**

**Mr. Jayant N. Godbole**

**Mr. Hemnabh Khatau**

**Mr. Bimal Thakkar**

**Mr. Anil Kaul**

**Mr. Denys Firth**

**Mr. Alexander Shaik**

**Mr. Susheel Kak**

**Mr. M. S. Gilotra**

**Mr. V. R. Mohnot**

*Director (Finance) & Company Secretary*

*Chairman*

*Executive Vice Chairman*

*Special Director - BIFR*

*Nominee - India Debt Management Pvt. Ltd.*

*Managing Director*

### **Bankers**

Bank of India

Central Bank of India

Dena Bank

HDFC Bank Ltd.

Rajkot Nagarik Sahakari Bank Ltd.

### **Auditors**

Messrs Bansi S. Mehta & Co.

Chartered Accountants

### **Registered Office**

Near Railway Station,

Ranavav 360 560

Gujarat

### **Corporate Office**

N. K. Mehta International House, 2nd Floor,

178, Backbay Reclamation

Mumbai 400 020

**SAURASHTRA CEMENT LIMITED**

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

**NOTICE**

Notice is hereby given that the 55th Annual General Meeting of the Members of the Company will be held on **Wednesday, the 31st July, 2013 at 10.00 a.m.** at the Registered Office of the Company, Near Railway Station, Ranavav 360 560 (Gujarat), to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013, Audited Statement of Profit & Loss for the financial year ended 31st March 2013 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. K. N. Bhandari, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Susheel Kak, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hemnabh Khatau, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Alexander Shaik, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No.100991W) be and are hereby re-appointed as Statutory Auditors of the Company for audit of accounts for the financial year 2013-2014 and they shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.9,00,000/- (Rupees Nine Lacs only) plus service tax and reimbursement of travelling and out of pocket expenses actually incurred.”

**SPECIAL BUSINESS**

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force, the Articles of Association of the Company be amended by adding the following sentence at the end of the existing Article No.109(a):

“The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means or audio in the prescribed manner, as may be permitted by the applicable laws from time to time.”

“RESOLVED FURTHER THAT the existing Article No.111(a) be substituted by the following new Article No.111(a):

“The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means or audio as may be permitted by the applicable laws from time to time shall also be counted for the purposes of quorum as may be permitted by the applicable laws from time to time. Provided that where at any time the number of interested Directors exceed or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The expressions “total strength” and “interested Director” shall have the meanings given in Section 287(1) of the said Act.”

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

“RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 314, 316 and 349 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, as amended from time to time and subject to approval of the Central Government and subject to such other consents and permission as may be necessary, approval of the Company be and is hereby accorded for increase in remuneration of Mr. Jay Mehta, Executive Vice Chairman with effect from 1.4.2013 upto 31.12.2013 and thereafter to be decided on annual basis by the Board of Directors of the Company / Committee of the Board, as set out in the explanatory statement annexed herewith.”

“RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter, amend or vary the terms and conditions of remuneration as may be agreed to between the Board of Directors and Mr. Jay Mehta within such guidelines or amendments as may be made to the Companies Act, 1956 or subject to approval, if required, of the Central Government or any other authority and do all such acts, deeds and things as may be necessary or expedient.”

By Order of the Board of Directors

Place : Mumbai,  
Dated : May 28, 2013

**V.R. MOHNOT**  
**Director (Fin.) & Co. Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560 Gujarat.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business specified above is annexed hereto.
3. Pursuant to Clause 49 of the Listing Agreement relating to code of Corporate Governance, the profile of directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting is given in the Corporate Governance Report annexed to the Directors Report.
4. The documents referred in the resolutions and explanatory statement are available for inspection by the members at the Registered Office of the Company during 10.00 a.m. to 12 noon on any working day till the date of the ensuing Annual General meeting.
5. The Share Transfer Books and Register of Members of the Company shall remain closed from Wednesday, the 24th July, 2013 to Wednesday, the 31st July, 2013 (both days inclusive) in connection with the Annual General Meeting.
6. Members who have multiple accounts in identical names or joint accounts in same order are requested to send their share certificates to the Registrar and Transfer Agents for consolidation of all such shareholdings into one account to facilitate better service.
7. (a) Members are requested to notify immediately any change of address:
  - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
  - ii. To the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078' in respect of their physical share folios, if any.(b) In case the mailing address mentioned on this Annual Report is without the pin code, members are requested to kindly inform the Registrars their PIN CODE immediately.
8. Non-resident Indian Shareholders are requested to inform the Registrars immediately of the change in their residential status, if any.

9. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Annual General meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
10. **Shares of the Company are compulsorily required to be traded in demat form. If you have not demated your shares, you are requested to get the shares demated at the earliest.**

By Order of the Board of Directors

Place : Mumbai,  
Dated : May 28, 2013

**V.R. MOHNOT**  
**Director (Fin.) & Co. Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560 Gujarat.

**Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs**

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by companies, vide its circulars No.17/2011 and No.18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents to Members through e-mail will constitute sufficient compliances with Section 53 of the Companies Act, provided the Members are given an advance opportunity to register their Email IDs or changes if any therein with the Company.

Pursuant thereto, we invite our Members to participate in the Green Initiatives by registering their Email IDs with the Company to enable it to send documents required to be sent under Section 219 of the Companies Act viz. Annual Report and Notices of General Meetings.

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 (“THE ACT”)**

**Item No.7**

In view of the changes proposed in the Companies Bill, 2012 certain enabling provisions are sought to be introduced in the Articles of Association of the Company.

Following amendments have been proposed in the Articles of Association of the Company:

- a. Amending Article 109(a) by adding a sentence at the end of the existing Article that participation of Directors in a Board meeting may be either in person or through video conferencing or other audio visual means or audio as may be permitted by the applicable laws from time to time
- b. Substituting the existing Article 111(a) with the new Article 111(a) for determining quorum of Directors participating in meeting of the Board through video conferencing or other audio visual means or audio as may be permitted by the applicable laws from time to time

None of the Directors of the Company are interested or concerned in the said resolution.

**Item No.8**

The Board of Directors at its meeting held on 28th May, 2013 had revised the remuneration of Mr. Jay Mehta, Executive Vice Chairman of the Company from 1.4.2013 to 31.12.2013 as detailed hereunder. The increase in remuneration was subject to the necessary approval of the shareholders and the Central Government.

## Remuneration

	Amount in ₹ per month
Salary	4,00,000
Provident Fund @ 12%	48,000
Superannuation @ 15%	60,000
Gratuity	19,231
<b>Total</b>	<b>5,27,231</b>

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

1. Personal Accident Insurance and Mediclaim insurance for self and family.
2. Encashment of unavailed leave at the end of the tenure.

Further, over and above the aforesaid remuneration, Mr. Jay Mehta will be entitled to the following in the course of discharge of his duties and responsibilities.

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of Rs.33,000/- per month on submission of supporting / declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Car with driver and communication facilities at the residence for the business of the Company.
4. Re-imburement of expenses incurred in respect of books and periodicals at actual, against submission of supporting/s.
5. Entrance Fees / Subscription or Reimbursement of Club Fees on actual basis.

The above appointment can be terminated by either side by giving three months' notice in writing. However, the Company can determine the same by giving three months' salary in lieu thereof.

Mr. Jay Mehta is interested in his resolution. Mr. M. N. Mehta being related to Mr. Jay Mehta, may be deemed to be concerned or interested in the resolution of Mr. Jay Mehta, Executive Vice Chairman. Save and except them, none of the other directors are deemed to be concerned or interested in the said resolution.

By Order of the Board of Directors

Place : Mumbai,  
Dated : May 28, 2013

**V.R. MOHNOT**  
**Director (Fin.) & Co. Secretary**

Registered Office:  
Near Railway Station  
Ranavav 360 560 Gujarat.

## DIRECTORS' REPORT

Dear Members,

The Directors present the 55<sup>th</sup> Annual Report, Audited Accounts and Auditors Report for the financial year ended 31<sup>st</sup> of March, 2013.

### FINANCIAL RESULTS

The highlights of the financial results for the Financial year ended 31<sup>st</sup> of March 2013 are given below.

(In Million Rupees)

Particulars	Standalone		Consolidated	
	Current Financial Year 2012-2013	Previous Financial Year 2011-12	Current Financial Year 2012-2013	Previous Financial Year 2011-12
Revenue from Operation and Other Income (Net of Excise)	<b>5481.69</b>	4438.78	<b>5506.08</b>	4452.53
Profit before interest, depreciation and exceptional items.	<b>1227.11</b>	475.76	<b>1224.20</b>	462.40
Finance Cost	<b>333.83</b>	446.99	<b>333.83</b>	446.99
Profit/(Loss) before depreciation	<b>893.28</b>	28.77	<b>890.37</b>	15.41
Depreciation & Impairment	<b>343.96</b>	219.64	<b>344.26</b>	220.27
Profit/(Loss) before exceptional items and Deferred Tax Assets	<b>549.33</b>	(190.87)	<b>546.11</b>	(204.86)
Exceptional Item	<b>1611.53</b>	-	<b>1611.53</b>	-
Deferred Tax Assets	<b>320.47</b>	-	<b>320.47</b>	-
Profit/(Loss) after tax	<b>1840.39</b>	(190.87)	<b>1837.17</b>	(204.86)
Brought forward Profit/(Loss) from earlier years	<b>(2913.92)</b>	(2723.05)	<b>(2933.19)</b>	(2728.33)
Balance of Profit / (Loss) carried to Balance Sheet	<b>(1073.53)</b>	(2913.92)	<b>(1096.02)</b>	(2933.19)

### THE YEAR UNDER REVIEW

The slowdown in the economy resulted in an overall average growth rate of the eight core industries (including cement, steel, fertilizer, oil, gas etc.) during April, 2012 to March, 2013 to 2.6 percent from 5 percent for the same period of previous year. The cement production still grew at 5.6 percent, even though it was lower than the average growth in the previous years.

Cement consumption in Gujarat registered a 5 percent growth over the previous year, which although lower than the average annual growth rate of around 9 percent during the previous five-year period, is better than many other regions of the country. The consumption growth could have been better, but for delayed & deficient monsoons. The State received only 73 percent of the normal average rainfall and the Saurashtra region was the worst affected with rainfall of 57 percent of the normal.

The abnormal increase in the price of diesel, by around 15 percent, had a cascading effect on the manufacturing cost as well as cost of delivery for cement. The increase in rail freights (varying between 11 to 25 percent) also adversely affected the cost of delivering cement to customers. The increase in excise duty by 2 percent was an additional burden on the industry.

The slow economic growth did result in better availability of power and power sale through energy exchange, became less attractive due to the prevailing lower rates, most of the time. Softer coal prices and improved price levels in local markets helped improve profitability.

## **PERFORMANCE REVIEW**

### **Production and Sales**

The production of clinker and cement for the year ended March, 2013 was 1.28 million tonnes and 1.34 million tonnes, as against 1.14 million tonnes and 1.26 million tonnes respectively in the previous year.

The total sale of cement & clinker was 1.48 million tonnes as against 1.34 million tonnes in the previous year. Our higher volume of sale and better realizations contributed to higher profits. Along with the higher volumes, better distribution of cement helped in reduced freight cost, contributing to higher realizations. Improved fuel cost, power consumption, as well as better realizations from exports due to exchange rate variation also positively contributed to profitability.

### **Exports**

The export of cement & clinker for the year ended March, 2013 was 0.31 million tonnes as compared to 0.33 million tonnes in the previous year. However, there was improvement in realizations, due to weakening of Indian Rupee.

### **DIVIDEND**

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

### **BIFR**

The Company is a Sick Industrial Company, pursuant to section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and is registered with Board for Industrial and Financial Reconstruction (BIFR).

Hon'ble BIFR vide its order dated 14.3.2013 circulated write up on the sanctioned scheme to all concerned. As per the scheme, the company is required to repay all the secured debts of CDR lenders and India Debt Management Pvt Ltd before March 2016. The Company is regular in payment of debts on quarterly basis to all secured lenders.

### **GOVERNMENT OF GUJARAT**

Government of Gujarat granted certain reliefs & concessions applicable to all sick industrial companies located in Gujarat as per the Resolution dated 15.7.2010 which has resulted in remission of entire amount of interest, penal interest and penalty. Principal outstanding as on 31.3.2010 is to be repaid over period of 18 months with simple interest @ 9 percent per annum on outstanding balance. The entire amount of dues has been deposited with a finance corporation of Government of Gujarat as mutually agreed.

### **NET WORTH**

After considering aforesaid reliefs and concessions as well as profit earned during the year, the Company's net worth has turned positive as on 31.3.2013.

### **PUBLIC DEPOSITS**

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

### **SUBSIDIARY COMPANIES**

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

Accordingly, the Annual Report does not contain the financial statements of the subsidiary companies. The financial information of the subsidiary companies as required by the said circular, is disclosed on page no. 88 of this Annual Report. The statements of Company's interest in the subsidiaries as at March 31, 2013, prepared in accordance with the provisions of Section 212 of the said Act, are also attached on page no. 89 of this Annual Report.

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

### **CONSOLIDATED FINANCIAL STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchange, the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated



Financial Statements' issued by 'The Institute of Chartered Accountants of India'. The Audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

## **DIRECTORS**

Mr. K. N. Bhandari, Mr. Susheel Kak, Mr. Hemnabh Khatau and Mr. Alexander Shaik retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Brief resume of the directors proposed to be reappointed, nature of their expertise and names of directorships / membership held in committees of other companies, shareholding and trusteeship is provided in Corporate Governance Report attached to this report.

The directors recommend their re-appointment.

## **LISTING OF EQUITY SHARES**

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid upto 31<sup>st</sup> March 2014.

## **AUDITORS**

M/s. Bansi S. Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from them that the reappointment, if made, would be within the prescribed limits under Section 224(1)(B) of the Companies Act, 1956.

## **AUDITORS' OBSERVATIONS**

As regards observations in the annexure to the report, the report is self explanatory and gives factual position which does not require further clarifications.

## **TAX AUDIT**

M/s. Bansi S. Mehta & Co., Chartered Accountants have been appointed to carry out the Tax Audit for the Assessment Year 2013-14.

## **INTERNAL AUDIT**

M/s. BDO Consulting Private Limited, have been appointed to carry out the Internal Audit of the Company for the Financial Year 2013-14.

## **COST AUDITORS**

In pursuance to Order No. 52/26/CAB-2010 dated 30<sup>th</sup> June 2011 issued under Section 233-B of the Companies Act, 1956, M/s.V.J.Talati & Co., Cost Accountant, have been appointed as Cost Auditors of the Company for the Financial Year 2013-14. Certificate of eligibility under Section 224 (1B) has been received.

## **PARTICULARS OF EMPLOYEES**

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

## **STAFF RELATIONS**

The Company continued to maintain harmonious relations with the staff at all levels.

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

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

## **CORPORATE GOVERNANCE**

A separate report on the Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance and the Auditors' Certificate on its compliance forms part of this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **ACKNOWLEDGEMENT**

The Directors express their thanks to all the lenders and creditors of the company, particularly India Debt Management Pvt Ltd for co-operation with the Operating Agency, the company and the Hon'ble BIFR to get the rehabilitation scheme sanctioned.

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

On behalf of the Board of Directors

Place : Mumbai  
Dated : May 28, 2013

**M. N. Mehta**  
Chairman

## Annexure to Director's Report

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.13.**

### A. CONSERVATION OF ENERGY:

- a. ENERGY CONSERVATION MEASURES TAKEN
  1. Variable Frequency Drives (VFD's) installed at:
    - Cooler Fans
  2. Replacement of 10 old motors by high efficiency motors
  3. Replacement of cooler no.4 with high efficiency fan.
  4. APFC Panel in cement mill no.5 for power factor improvement.
- b. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.
  1. Reengineering of major fans for improvement in efficiency.
  2. Systematic Replacement of old motors by high efficiency motors
  3. System optimization of pyro-processing section.
- c. IMPACT OF MEASURES AT (a) AND (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND SUBSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.
  1. Reduction in fuel consumption
  2. Reduction in power consumption
- d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION  
Details are given in form A of the annexure

### B. TECHNOLOGY ABSORPTION.

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	Current Year 2012-13 (₹ in lacs)	Previous Year 2011-12 (₹ in lacs)
Foreign Exchange earned	<b>9484.81</b>	8059.09
Foreign Exchange used	<b>554.69</b>	429.93

## FORM A (See Rule 2)

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

	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-12
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
<b>1 ELECTRICITY</b>		
A Purchased units (Kwh )lakhs	13.64	9.02
Total amount (₹ in lakhs) incl. Fixed charges	237.29	179.16
Variable cost per unit (₹)	6.76	7.15
B Own generation		
1 Through diesel generator		
Net units (Kwh) lakhs	9.86	2.86
Units /ltr of furnace oil	3.38	3.39
Variable total cost per unit In rupees	16.16	10.88
2 Through thermal power plant		
Net units (Kwh) lakhs	1370.44	1290.55
Total amount (₹ in lakhs)	5011.01	5453.03
Rate / unit (₹)	3.66	4.23
3 Coal and other fuels		
Quantity (million K.Cal)	1009729	921599
Total cost (₹ in lakhs)	10112.96	10530.92
Average rate /million kcl (₹)	1001.55	1142.68
4 Furnace oil		
Quantity (K.Ltrs)	541	423
Total amount (₹ in lakhs)	166.62	141.01
₹ per litre	30.78	33.30
<b>B CONSUMPTION PER UNIT OF PRODUCTION</b>		
1 <b>ELECTRICITY</b> (Kwh/T of Cement)	102.85	104.05
2 <b>COAL/LIGNITE/PETCOKE</b> Usage in %	12.19	13.09

## FORM - B

### A. RESEARCH & DEVELOPMENT

- a. **Specific areas in which the company carried out R&D**  
Burnability trials for optimum raw mix design.
- b. **Benefits derived as a result of above R&D**  
Fuel and power savings and quality improvements.
- c. **Future plan of action**
  1. Use of alternative / waste derived fuels for Power generation and Kilns
  2. Use of VFD's in fan applications
  3. Improvement in efficiency of fans by reengineering
  4. Deployment of higher capacity surface miner on top benches at mines.

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

1. Replacement of 10 old motors by high efficiency motors.
2. Use of energy efficient lamps by replacing Tube lights with T-5 fittings in the colony.
3. Installation of automated water spray system in cement mill number 2 and 5.
4. Installation of automated water spray system in Vertical Roller Mill.
5. Installation of VFD's for power savings.
6. Installation of electronic packer at packing plant in place of mechanical packer.
7. Fly ash storage, handling and dosing system.
8. Installation of truck loader in packing plant.
9. Upgradation of clay weigh feeder with variable frequency drive.

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

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

**C. FUTURE PLANT UPGRADATION**

1. Upgradation of plant PLC I/O's with latest input - output system compatible with existing controller.
2. Automation of Cement Mill no.2 & 4 for quality and energy efficiency
3. Clinker storage and handling system.
4. Replacement of existing mechanical packer with the electronic packer.
5. Upgradation of cement mill no.5 SCADA system.
6. Construction of Sewage treatment plant.
7. Replacement of table feeders with weigh feeders in coal mill 2 and 3.

## CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, the Company's policies on the Corporate Governance and due Compliance report on specific areas wherever applicable for the financial year ended 31st March 2013 is given hereunder:

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

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

### 2. BOARD OF DIRECTORS:

#### (i) Composition (as on 31st March 2013)

Your Company's Board comprises of 15 (Fifteen) Directors, which include 8 (eight) Independent Directors. The Executive Vice Chairman and Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

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

During the financial year under review, 4 Board Meetings were held on the following dates:

Sr.No.	Date of Board Meeting	Board Strength	No. of Directors present
1	11.05.2012	15	13*
2	08.08.2012	15	12*
3	07.11.2012	15	14*
4	08.02.2013	15	09*

\*including Alternate Director/s

#### (iii) Attendance and other Directorships

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

The details of Directorship and attendance at Board Meeting & Annual General Meeting held on 27th June 2012 are given below.

Sr. No.	Directors	Category of Directorship @	Board Meetings attended	Attendance at the last AGM	No. of other directorship held	No. of Board committees in which Member/ Chairman
1	Mr. M.N.Mehta (Chairman) Mr. S. C. Khanna	NED (P)	1	No	6	-
		Alternate Director to Mr. M. N. Mehta	1	-	-	-
2	Mr. Jay M Mehta (Exec. Vice Chairman)	ED (P)	3	No	7	1

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

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

NED (I) – Non Executive Director – Independent

NED (NI) – Non Executive Director – Non Independent

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

ED (P) – Executive Director (Promoter)

ED - Executive Director

\* Chairman of Audit Committee

**Notes:**

- Number of directorships/ memberships held in other companies excludes directorships in companies under Section 25 of the Companies Act, 1956, membership of managing committees of various chambers/ bodies and alternate directorships.
- An Independent Director is a Director who apart from receiving directors sitting fees does not have any material pecuniary relationship or transactions with the company, its promoters, or its management or its subsidiaries, which may affect his/her independence.

### Information to the Board of Directors

The following information is placed before the Board:

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

### (iv) APPOINTMENT / RE-APPOINTMENT OF DIRECTORS Re-appointment of Directors

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under:-

1. Mr. K. N. Bhandari, aged 71 years, is the Ex-Chairman-cum-Managing Director of The New India Assurance Company Limited and United India Insurance Company Limited. Mr. K. N. Bhandari is having rich experience in the Insurance Industry. He is Director of the following companies.
  - Andhra Cements Limited.
  - Agriculture Ins. Co. of India Ltd.
  - Hindalco Industries Ltd.
  - Magma Fincorp Ltd.
  - Shristi Infrastructure Development Corporation Ltd.
  - Magma HDI General Ins. Co. Ltd.
  - NRC Ltd.
  - KSL Industries Ltd.
  - Jay Bharat Textiles & Real Estate Ltd.
  - Ken Bee Consultants Ltd.
  - Mehta Equities Ltd.

He is not holding any shares of the company.
2. Mr. Susheel Kak, aged 59 years, is a B.A. Economics, LL.B. He is having more than 35 years of experience in Banking Industry and has worked with State Bank of India, Deutsche Bank, IDBI Bank and The Development Credit Bank (DCB). At present, he is the Managing Director of India Debt Management Private Limited.
 

He is not holding any shares of the Company.
3. Mr. Hemnabh R. Khatau, aged 52 years, is a B.A. (Engg.) from Cambridge, M. Sc (UMIST), 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 the UK for a decade in various positions in the consulting practices of Capgemini UK, KPMG and Indeco IMC. He is Director of the following companies.
  - Gujarat Sidhee Cement Limited.
  - Pranay Holdings Limited.
  - Prachit Holdings Limited.
  - Ria Holdings Limited.
  - Reeti Investments Limited.
  - Agrima Consultants International Ltd.

He is not holding any shares of the Company.



4. Mr. Alexander Shaik, aged 41 years, is General Counsel and a Director at ADM Capital. He has over 18 years legal and commercial experience working on corporate and structured finance transactions. Before joining ADM Capital, he was employed in the Hong Kong office of the US law firm, Sidley Austin Brown & Wood, and he has also worked with the Tokyo office of Allen & Overy. He brings valuable structuring, regulatory and legal experience to the ADM Capital team. He holds a Bachelor of Arts (Politics & Asian history) and Honours in Law from The University of Melbourne, Australia. He is Director of India Debt Management Private Limited.

He is not holding any shares of the Company.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board comprises of four members viz. Mr. M.N.Rao, Mr. S.V.S.Raghavan, Mr. Anil Kaul and Mr. Susheel Kak. Mr. M.N.Rao is the Chairman of the Audit Committee. The Executive Vice Chairman and Managing Director are permanent invitees. Mr. V. R. Mohnot, CFO designated as Director (Finance) & Company Secretary acts as Secretary to the Audit Committee. Mr. M. N. Rao, Chairman of the Audit Committee was not present at the last AGM.

#### Terms of reference

Keeping in view the provisions of Section 292A of the Companies Act, 1956 and matters specified under Clause 49 of the Listing Agreement with Stock Exchange, terms of reference of the Audit Committee are as under:

- (i) To recommend appointment of statutory auditors, internal auditors and cost auditors and fixation of their remuneration.
- (ii) To review internal audit reports and decide about the scope of work.
- (iii) To review with statutory and internal auditors their findings, suggestions and other related matters.
- (iv) To review financial statements and to seek clarifications etc. from the statutory/ internal auditors.
- (v) To review the adequacy of internal control system.
- (vi) To review Company's accounting and risk management policies.
- (vii) To act as a link between the Statutory and Internal auditors and the Board of Directors.
- (viii) To review the financial statements before submission to the Board of Directors.

The Audit Committee meetings were held on 11.05.2012, 08.08.2012, 07.11.2012 and 08.02.2013. Partners/ Representative from M/s. BDO Consulting Private Ltd –Internal Auditors, M/s Bansi S. Mehta & Co, Statutory Auditors and M/s V.J.Talati & Co. Cost Auditor also attended some meetings.

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

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

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

### 4. REMUNERATION COMMITTEE

#### (i) Composition

Remuneration Committee comprises of four independent directors viz. Mr. S. V. S. Raghavan, Mr. M. N. Rao, Mr. Anil Kaul and Mr. Susheel Kak. Mr. Raghavan is the Chairman of the Remuneration Committee. The Remuneration Committee's terms of reference is (a) Review and recommend the appointment and remuneration of Executive Directors and (b) to periodically review the remuneration package and recommend suitable revision to the Board of Directors.

During the year under review, one meeting of Remuneration Committee was held on 07.11.2012, which was attended by all members.

ii) **Details of Remuneration of Directors paid for the period 2012-2013:**

**Executive Directors:**

Name	Salary & Allowances (₹)	Perquisite (₹)	Contribution to PF/ Superannuation (₹)	Total (₹)
Mr Jay M Mehta, Executive Vice Chairman	28,80,000	-	7,77,600	36,57,600
Mr M.S.Gilotra, Managing Director	83,04,000	17,08,670	19,92,600	1,20,05,270

**Non Executive Directors**

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

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

The Company has not issued any Stock Options to the Directors and Employees during the financial year ended 31st March, 2013 or in the past.

**5. SECURITY TRANSFER AND SHAREHOLDERS GRIEVANCE COMMITTEE**

The Company has a Security Transfer & Shareholders Grievances Committee of Directors. It looks into the aspect of transfers/transmissions/demat/remat of shares issued by the Company, issue of duplicate certificates, issue new certificates after split/consolidation/renewal & redressal of investor complaints.

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

During the year, the Committee had 4 meetings on 11.05.2012, 08.08.2012, 07.11.2012 and 08.02.2013. Details of the meetings attended by the members are given below:

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

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

No. of complaints received	No. of Complaints redressed	No. of complaints pending.
13	13	Nil

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

## 6. GENERAL BODY MEETINGS:

### (i) Annual General Meetings

The details of general Meetings of the Company held in last three years.

Financial Year	Date	Time	Venue	Dividend declared
2011-12	27.6.2012	10.00 a.m.	Registered Office of the Company	Nil
2010-11	28.7.2011	10.00 a.m.	-do-	Nil
2009-10	16.9.2010	10.00 a.m.	-do-	Nil

No resolutions were put through postal ballot.

### (ii) Extraordinary General Meetings:

During the year, an Extraordinary General Meeting was held on 1st February 2013 at the registered office of the Company.

### (iii) Special Resolutions:

Reappointment of Mr. Jay Mehta as Executive Vice Chairman and Mr. M. S. Gilotra as Managing Director for a further period of three years from 1.1.2013 to 31.12.2015 and their remuneration.

## 7. DISCLOSURES:

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

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

### b) Penalties & Strictures

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

### c) Related Party Transactions

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

### d) Disclosure of Accounting Treatment:

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

**e) Disclosure on Risk Management:**

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

**f) Code of Conduct:**

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

**g) CEO/CFO Certification**

A CEO/CFO certificate on the financial statements of the Company pursuant to clause 49 of the listing agreement are placed before the Board.

**8. MEANS OF COMMUNICATION:**

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

**9. GENERAL SHAREHOLDERS INFORMATION:**

Board Meeting for consideration of

<b>i)</b>	Audited results for the current Financial year ended on 31st March 2013	28th May 2013
<b>ii)</b>	Unaudited /Audited results for quarter ending 30.6.2012, 30.09.2012, 31.12.2012, and 31.03.2013.	Within the period as stipulated under the Listing Agreement with the Stock Exchange from time to time.
<b>iii)</b>	Annual General Meeting is proposed to be held	Wednesday, the 31st July 2013
<b>iv)</b>	Date of Book closure	Wednesday, the 24th July 2013 to Wednesday, the 31st July 2013 (both days inclusive)

**v) Listing of equity shares on Stock Exchange at:**

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

**vi) Listing Fees:**

The Company has paid Listing Fees for the financial year 2013-2014 to the Bombay Stock Exchange Ltd., (BSE) where the company's shares are listed. The Company has paid Annual Custody fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts as on March 31, 2013.

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

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

No complaint as on 31.3.2013 is pending from the security holders / investors relating to transfer of security.

**viii) Share Transfer System**

The share transfer in physical form are processed by the Registrars and Transfer Agents and the share

certificates returned within a period of 15 to 20 days from the date of receipt provided that the documents are found to be in order.

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

**ix) Distribution of Shareholding as on 31st March 2013 :**

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	7094	89.48	778291	1.52
501 – 1000	347	4.38	286899	0.56
1001 – 2000	176	2.22	265434	0.52
2001 – 3000	67	0.84	174864	0.34
3001 – 4000	48	0.60	170493	0.33
4001 - 5000	44	0.56	206053	0.40
5001 - 10000	48	0.61	340026	0.67
10001 - above	104	1.31	48969005	95.66
<b>TOTAL</b>	<b>7928</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**x) Shareholders Profile as on 31st March 2013:**

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	10	0.13	32759283	63.99
Bodies Corporate	155	1.96	1894931	3.70
NRIs	411	5.18	361578	0.71
FII's	4	0.05	1810	-
Financial Institutions	10	0.13	1126011	2.20
Banks	7	0.09	550937	1.08
Mutual Fund	1	0.01	100	-
Foreign Companies	2	0.02	9920000	19.38
Overseas Corporate Bodies	1	0.01	109100	0.21
Indian Public	7327	92.42	4467315	8.73
<b>Total</b>	<b>7928</b>	<b>100.00</b>	<b>51191065</b>	<b>100.00</b>

**xi) Dematerialization of shares:**

As on 31st March 2013, 4,96,67,695 equity shares constituting 97.02% of the company's total share capital were held in dematerialized form with NSDL and CDSL.

**xii) Stock Market price data for the period 2012-2013:**

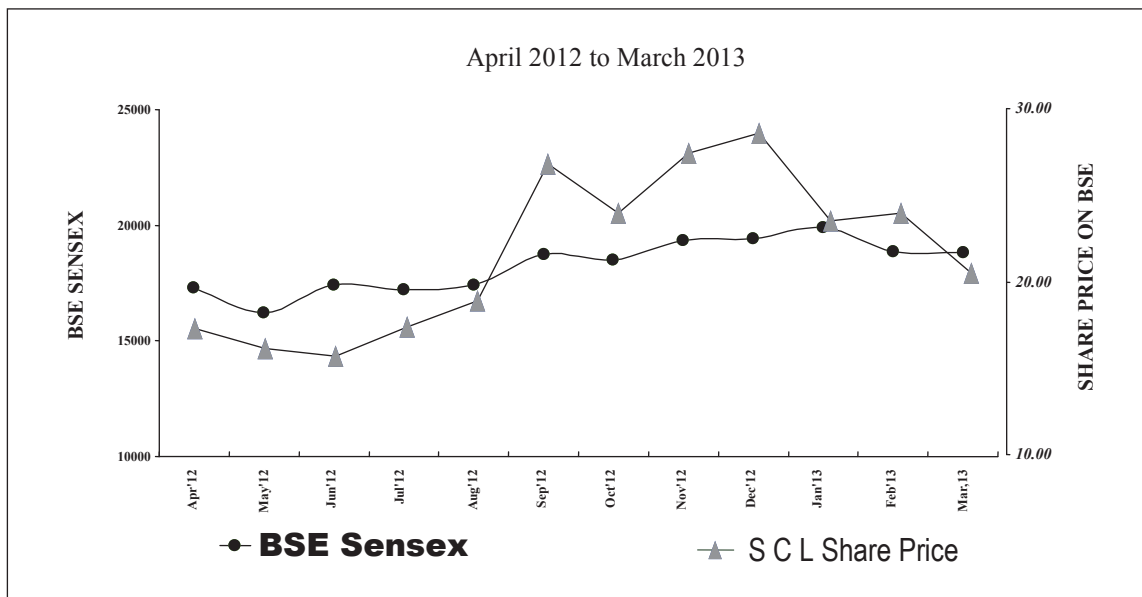
The High, Low and Closing prices of the Company's share of the face value of ₹10/- each on Bombay Stock Exchange, Mumbai from April 2012 to March 2013 are as under:-

In rupees

Month	High	Low	Closing
April 2012	17.85	15.65	17.30
May 2012	18.00	14.20	16.10
June 2012	18.65	15.00	15.70
July 2012	20.80	15.40	17.40
August 2012	23.55	16.35	18.90
September 2012	27.50	17.30	26.80
October 2012	28.65	22.20	24.00
November 2012	33.70	23.95	27.40
December 2012	32.50	25.65	28.60
January 2013	29.65	20.05	23.55
February 2013	30.00	22.00	24.00
March 2013	26.05	19.35	20.50

**xiv) Stock Performance (Indexed)**

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



**Plant Location:**

Near Railway Station, Ranavav, Gujarat 360 560.

**xv) Address for correspondence :**

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

Shareholder correspondence should be addressed to Registrars & Transfer Agent:

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

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

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

**10. NON MANDATORY REQUIREMENTS :**

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

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

**(b) Shareholders Rights**

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

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

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

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

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

**(e) Postal Ballot**

The provisions relating to Postal Ballot will be complied with in respect of matters, where applicable.

**(f) Whistle Blower Policy**

The Company, at present, has not adopted any Whistle Blower Policy.

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

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

On behalf of the Board of Directors

Place : Mumbai  
Dated : May 28, 2013

**M. N. Mehta**  
**Chairman**

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**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT.**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2013.

On behalf of the Board of Directors

Place : Mumbai  
Dated : May 28, 2013

**M. N. Mehta**  
**Chairman**

**Auditors' Certificate on compliance with the conditions of  
Corporate Governance under Clause 49 of the Listing Agreement  
To the members of Saurashtra Cement Limited**

We have examined the compliance of the conditions of Corporate Governance by SAURASHTRA CEMENT LIMITED ("the Company") for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with The Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

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

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

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

Place: Mumbai  
Date: May 28, 2013



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Development**

The all India cement production during the period April, 2012 to March, 2013 registered a cumulative growth of 5.6 percent as against 6.7 percent during the corresponding period of last year. The cumulative growth for the eight core industries (coal, crude oil, natural gas, refinery products, fertilisers, steel, cement & electricity) is 2.6 percent as against 5 percent in the previous year. The capacity addition during the year 2012 is around 35 million tonnes. The surplus capacity available in Gujarat & Rajasthan, coupled with entry of new players in the already fragmented markets result in high price volatility, and variations in prices in different regions and different periods of time.

### **Future Outlook**

Though the economic growth is marginally low, the sustained policies on the need of infrastructure facilities and the housing needs of the population will enhance the consumption of cement further in the country. Compared with other core industries, the growth of cement industry is better, though it is lower than the previous year. The long-term future of the cement industry is optimistic and positive. However, due to addition of new plants with large capacities, the capacity utilization would continue to be low. In the state of Gujarat, there is likely to be a large surplus of capacity over demand for the near future, which may affect the stability of cement prices. A large part of production therefore will need to be exported or transported to longer distances, in other states like Maharashtra, Karnataka and Kerala.

### **Opportunities & Threats**

With the sustained economic growth in Maharashtra and Gujarat, the cement consumption in these states is likely to continue at a healthy rate and would therefore give opportunities for growth in the cement industry.

Substantial increase in the prices of diesel and other petroleum products has adversely affected the raw material cost and cost of delivery. The diesel prices are increasing almost on a monthly basis. The fuel surcharge on the power sourced from state grid and the increased excise duty are additional burden on the industry. The steep increase of rail freight rendered the transportation by rail unviable. The infrastructural constraints and high cost of handling of cement at public ports continue to pose threats to the sustainability and stability of the industry in Gujarat.

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

### **Segment Review and Analysis**

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

### **Risks and Concerns**

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

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

The 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 audit 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

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

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

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

The Industrial relations at the plant were cordial.

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

The Company had 474 permanent employees as on 31.3.2013.

## Corporate Social Responsibility.

### Health Care

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

### Education

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

### Afforestation

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

### Cautionary Statement

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

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

On behalf of the Board of Directors

Place : Mumbai  
Dated : May 28, 2013

**M. N. Mehta**  
Chairman

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **SAURASHTRA CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of section 227(4A) of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of section 274(1)(g) of the Act.

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

Place : Mumbai  
Date : May 28, 2013

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

## Annexure to the Independent Auditors' Report

**[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of SAURASHTRA CEMENT LIMITED on the financial statements for the year ended March 31, 2013.]**

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

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

Education and Protection Fund, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities, except some delays In respect of Excise Duty, Service Tax and Value Added Tax. As per the information and explanations given to us, as also on the basis of the books and records examined by us, there are no arrears of undisputed statutory dues outstanding as at the last day of the financial year, for a period of more than six months from the date they become payable. As informed to us, the provisions of the Employees' State Insurance Act are not applicable to the Company.

- b. According to the information and explanations given to us and on the basis of the books and records examined by us, no amounts of the Income-tax, Wealth-tax and Cess are under dispute. In respect of Value Added Tax, Customs Duty, Excise Duty and Service Tax, which have not been deposited as on March 31, 2013 on account of disputes and the forum where the dispute is pending, are given below:

Nature of Dues - Name of the statute	Amount (₹ lacs)	Period to which amount relates	Forum where dispute is pending
<b>Value Add Tax - Gujarat Value Added Tax Act, 2003</b>			
Value Added Tax (VAT)	370.96	2007-2009	Joint Commissioner of Sales Tax
Interest on VAT	340.11		
Penalty on VAT	435.67		
<b>Custom Duty - Custom Act, 1962</b>	3.55	2010-2011	Commissioner of Customs (Appeals)
<b>Excise Duty - Central Excise Act, 1944</b>	122.66	2001-2002	CESTAT
	174.04	2007-2008	
<b>Service Tax - Central Excise Act, 1944</b>	58.50	1997-1998	CESTAT
	3.56	2006-2007	CESTAT
	44.11	2006-2013	Commissioner Appeals

- x. The accumulated losses of the Company as on March 31, 2013 are less than fifty per cent of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions, bankers or debenture holders during the year.
- xii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund or nidhi / mutual benefit fund / society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of proper records of the transactions and contracts and making of timely entries therein are not applicable. All the investments are held by the Company in its own name.
- xv. According to the information and explanations given to us, as also on the basis of the books and records examined by us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 4 (xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, as also on the basis of the books and records examined by us, in our opinion, on an overall basis, the new term loans obtained during the year by the Company were, prima facie, applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us, and also on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii. As the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year, Clause 4 (xviii) is not applicable.
- xix. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the security or charge in respect of debentures issued during an earlier year has been created.
- xx. As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order requiring to disclose the end use of money raised and verifying the same is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

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

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

Place : Mumbai  
Date : May 28, 2013

## BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	9,202.57		(9,146.00)
			15,009.59	(3,338.98)
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	11,446.47		10,266.03
Other Long-term Liabilities	5	680.87		633.83
Long-term Provisions	6	807.67		725.15
			12,935.01	11,625.01
<b>Current Liabilities</b>				
Short-term Borrowings	7	572.05		539.78
Trade Payables	8	3,592.40		4,248.31
Other Current Liabilities	9	11,160.72		32,244.74
Short-term Provisions	10	251.73		228.40
			15,576.90	37,261.23
		<b>TOTAL</b>	<b>43,521.50</b>	<b>45,547.26</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	11	20,625.74		21,852.87
Intangible Assets		33.14		42.75
Tangible Capital Work-in-progress		6,358.10		7,727.61
Intangible Assets under Development		69.75		-
		27,086.73		29,623.23
Non-current Investments	12	1,880.19		1,880.21
Deferred Tax Assets (net)	13	-		3,204.68
Long-term Loans and Advances	14	1,244.88		1,126.68
Other Non-current Assets	15	480.41		422.90
			30,692.21	36,257.70
<b>Current Assets</b>				
Inventories	16	6,666.42		5,446.29
Trade Receivables	17	1,393.46		1,769.28
Cash and Bank Balances	18	3,410.02		577.17
Short-term Loans and Advances	19	1,049.15		1,435.14
Other Current Assets	20	310.24		61.68
			12,829.29	9,289.56
		<b>TOTAL</b>	<b>43,521.50</b>	<b>45,547.26</b>

### Significant Accounting Policies and Notes form an 1 - 41 integral part of the Financial Statements

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 28, 2013

For and on Behalf of the Board of Directors

**M. N. Mehta** *Chairman*  
**Jay Mehta** *Executive Vice Chairman*

**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra**  
**V. R. Mohnot**

*Managing Director*  
*Director (F) & Co. Secretary*

Mumbai, Dated May 28, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

		For the Year ended March 31, 2013	For the Year ended March 31, 2012
	Note	₹ in lacs	₹ in lacs
Revenue from Operations (Gross)	21	59,715.60	48,144.30
(Less): Excise Duty		<u>(5,924.55)</u>	<u>(4,282.49)</u>
Revenue from Operations (Net)		53,791.05	43,861.81
Other Income	22	<u>1,025.82</u>	<u>525.95</u>
<b>Total Revenue</b>		<u><b>54,816.87</b></u>	<u><b>44,387.76</b></u>
<b>Expenses</b>			
Cost of Materials Consumed	23	3,495.64	3,163.13
Purchases of Stock-in-trade	24	2,939.66	1,610.34
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25	(0.71)	250.79
Employee Benefits Expense	26	2,818.84	2,491.20
Finance Costs	27	3,338.27	4,469.90
Depreciation, Amortisation and Impairment		3,494.92	2,417.31
(Less): Amount Withdrawn from Revaluation Reserve		<u>(55.32)</u>	<u>(220.88)</u>
		<u><b>3,439.60</b></u>	<u><b>2,196.43</b></u>
Other Expenses	28	<u>33,292.29</u>	<u>32,114.72</u>
<b>Total Expenses</b>		<u><b>49,323.59</b></u>	<u><b>46,296.51</b></u>
<b>Profit/ (Loss) before Exceptional Items and Tax</b>		<u><b>5,493.28</b></u>	<u><b>(1,908.75)</b></u>
Exceptional items - Gain	29	<u>16,115.29</u>	<u>-</u>
<b>Profit/ (Loss) before Tax</b>		<u><b>21,608.57</b></u>	<u><b>(1,908.75)</b></u>
<b>Tax Expense</b>	30		
Current Tax		-	-
Deferred Tax		<u>3,204.68</u>	<u>-</u>
		<u><b>3,204.68</b></u>	<u><b>-</b></u>
<b>Profit/ (Loss) for the year</b>		<u><u><b>18,403.89</b></u></u>	<u><u><b>(1,908.75)</b></u></u>
<b>Earnings per equity share of ₹ 10 par value per share</b>			
Basic and diluted ( ₹ per share)	40	<b>35.78</b>	<b>(3.90)</b>

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

1 - 41

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 28, 2013

For and on Behalf of the Board of Directors

**M. N. Mehta**  
**Jay Mehta**  
**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra**  
**V. R. Mohnot**

*Chairman*  
*Executive Vice Chairman*

*Managing Director*  
*Director (F) & Co. Secretary*

Mumbai, Dated May 28, 2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit / (Loss) for the year before tax</b>		<b>21,608.57</b>	(1,908.75)
Adjustments for :			
Add: Finance Costs	<b>3,338.27</b>		4,469.90
Hire Purchase Rentals	<b>2.23</b>		3.97
Loss on Sale of Assets / Assets Discarded	<b>42.99</b>		98.42
Provision for Doubtful debts	<b>11.06</b>		-
Depreciation, Amortisation and Impairment	<b>3,439.60</b>		2,196.43
		<b>6,834.15</b>	6,768.72
Less: Profit on Sale of Assets	<b>63.17</b>		57.50
Interest Income	<b>370.79</b>		69.42
Dividends Received	<b>0.26</b>		0.25
Excess Provision and Sundry Creditors Written Back	<b>290.20</b>		249.24
Doubtful Debts Written Back	<b>0.58</b>		18.71
Exceptional Gain	<b>16,115.29</b>		-
		<b>(16,840.29)</b>	(395.12)
<b>Operating profit before working capital changes</b>		<b>11,602.43</b>	4,464.85
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	<b>129.56</b>		140.06
Trade Payables and Other Current Liabilities	<b>2,142.67</b>		(1,172.68)
Long-term Loans and Advances and Other Non-current Assets	<b>(138.52)</b>		16.71
Inventories	<b>(1,220.13)</b>		(926.73)
Trade Receivables and Short-term Loans and Advances	<b>747.31</b>		273.98
Other Current Assets	<b>(18.46)</b>		33.77
		<b>1,642.43</b>	(1,634.89)
<b>Cash generated from operations</b>		<b>13,244.86</b>	2,829.96
Add: Direct Taxes (Payments) / Refunds		<b>(8.46)</b>	9.07
<b>Net cash flow from operating activities</b>		<b>13,236.40</b>	2,839.03



	For the Year ended March 31, 2013	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets / Capital Work-in-progress	(1,072.95)		(603.65)
Sale of Fixed Assets	126.75		129.35
Sale of Non-current Investments	0.02		-
Interest Income	2,833.87		64.27
Dividends Received	0.26		0.25
<b>Net cash flow from / (used in) investing activities</b>		<b>1,887.95</b>	<b>(409.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	33.86		60.22
Payment of Long-term Borrowings	(7,365.33)		(1,202.33)
Dues (From) / To Subsidiaries	(29.23)		(122.79)
Short-term Borrowings	32.27		(247.32)
Deposits Held as Margin Money	(1,185.44)		99.23
Repayment of Hire Purchase Liabilities	(19.97)		(57.04)
Finance Costs Paid	(4,943.10)		(1,085.76)
<b>Net cash flow used in financing activities</b>		<b>(13,476.94)</b>	<b>(2,555.79)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,647.41</b>	<b>(126.54)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>423.95</b>	<b>550.49</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		<b>2,071.36</b>	<b>423.95</b>

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

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 28, 2013

For and on Behalf of the Board of Directors  
**M. N. Mehta** *Chairman*  
**Jay Mehta** *Executive Vice Chairman*  
**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra** *Managing Director*  
**V. R. Mohnot** *Director (F) & Co. Secretary*  
Mumbai, Dated May 28, 2013

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

The financial statements are prepared in accordance with the generally accepted principles under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at Ranavav) on accrual basis under the going concern assumption. These financial statements have been prepared to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 as the Companies (Accounting Standards) Rules, 2006, and in accordance with the other relevant provisions of the Companies Act, 1956.

#### 1.2 Use of Estimates :

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

#### 1.3 Fixed Assets :

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

#### 1.4 Depreciation / Amortisation :

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

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

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

- ii. Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

**1.6 Impairment of Assets :**

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

**1.7 Investments :**

- i. Investments that are intended to be held for more than a year from the date of acquisition are classified as long-term investments and are stated at its cost of acquisition. Diminution, other than temporary, in the value of such investments is provided. Investments other than long-term investments, being current investments, are valued at the lower of cost and fair value, determined on an individual basis, including held by the Subsidiaries for long-term purposes is provided. Diminution in the value of other investments is provided.

**1.8 Inventories :**

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

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

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

**1.10 Revenue Recognition :**

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

**1.11 Foreign Currency Transactions :**

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans, etc.), which are denominated in foreign currency are translated and reported using the exchange rates prevailing on the date of the Balance Sheet.

- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

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

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

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

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

#### **1.14 Taxation :**

- i. Tax on income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Deferred tax resulting from "timing difference" is recognised, subject to the consideration of prudence, using the current rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred tax Assets are reviewed at each Balance Sheet date.

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

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>2 Share Capital</b>				
<b>Authorised</b>				
Equity Shares, of ₹ 10 par value	13,00,00,000	13,000.00	13,00,00,000	13,000.00
Preference Shares, of ₹ 100 par value	60,00,000	6,000.00	60,00,000	6,000.00
Unclassified Shares, of ₹ 10 par value	50,00,000	<u>500.00</u>	50,00,000	<u>500.00</u>
		<u>19,500.00</u>		<u>19,500.00</u>
<b>Issued</b>				
Equity Shares, of ₹ 10 par value	5,90,95,018	5,909.50	5,90,95,018	5,909.50
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	6,87,595	<u>687.60</u>	6,87,595	<u>687.60</u>
		<u>6,597.10</u>		<u>6,597.10</u>
<b>Subscribed and Paid Up</b>				
Equity shares, of ₹ 10 par value	5,11,91,065	5,119.11	5,11,91,065	5,119.11
13% Optionally Convertible Cumulative Preference Shares, of ₹ 100 par value	6,87,595	<u>687.60</u>	6,87,595	<u>687.60</u>
		5,806.71		5,806.71
Equity Shares - forfeited	15,269	<u>0.31</u>	15,269	<u>0.31</u>
(₹ 2 per share paid up)		<u>5,807.02</u>		<u>5,807.02</u>

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>a. Equity Shares, of ₹ 10 par value</b>				
At the beginning	5,11,91,065	5,119.11	5,11,91,065	5,119.11
Changes during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At the end	<u>5,11,91,065</u>	<u>5,119.11</u>	<u>5,11,91,065</u>	<u>5,119.11</u>
<b>b. Preference Shares, of ₹ 100 par value</b>				
At the beginning	6,87,595	687.60	6,87,595	687.60
Changes during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At the end	<u>6,87,595</u>	<u>687.60</u>	<u>6,87,595</u>	<u>687.60</u>

## RIGHTS, PREFERENCES AND RESTRICTIONS

### a. Equity Shares

- i. The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, in view of the carried forward losses, no dividend is / was declared on the equity shares for the year ended March 31, 2013 / March 31, 2012.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### b. Preference Shares :

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

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	%	Numbers	%
<b>a. Equity Shares</b>				
Clarence Investments Limited	1,28,86,599	25.17%	1,28,86,599	25.17%
Jagmi Investments Limited	51,75,000	10.11%	51,75,000	10.11%
Mauritius Debt Management Limited	74,50,000	14.55%	74,50,000	14.55%
Sampson Limited	40,00,000	7.81%	40,00,000	7.81%
TransAsia Investments And Trading Limited	80,00,000	15.63%	80,00,000	15.63%
<b>b. Preference Shares</b>				
India Debt Management Private Limited	5,12,398	74.52%	5,12,398	74.52%
A.M.Fadia - Trustee of SCL Preference Shares Trust [Refer Note 2 (b) (iv) above]	1,74,557	25.39%	1,74,557	25.39%

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b> - As per last Balance Sheet	<b>2,607.96</b>	2,607.96
<b>Capital Redemption Reserve</b> - As per last Balance Sheet	<b>50.00</b>	50.00
<b>Securities Premium Account</b> - As per last Balance Sheet	<b>10,566.71</b>	10,566.71
<b>Debenture Redemption Reserve</b> - As per last Balance Sheet	<b>2,060.00</b>	2,060.00
<b>Revaluation Reserve</b>		
As at the beginning of the year	<b>330.56</b>	552.15
(Less): Transferred to the Statement of Profit and Loss for Depreciation	<b>(55.32)</b>	(220.88)
(Less): For Fixed Assets sold	<u>-</u>	<u>(0.71)</u>
As at the end of the year	<b>275.24</b>	330.56
<b>General Reserve</b> - As per last Balance Sheet	<b>4,377.97</b>	4,377.97
<b>Surplus / (Deficit)</b>		
<b>Debit balance in the Statement of Profit and Loss</b>		
As at the beginning of the year	<b>(29,139.20)</b>	(27,230.45)
Add: Transferred from the Statement of Profit and Loss	<u><b>18,403.89</b></u>	<u>(1,908.75)</u>
As at the end of the year	<u><b>(10,735.31)</b></u>	<u>(29,139.20)</u>
	<u><b>9,202.57</b></u>	<u>(9,146.00)</u>

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>4 LONG-TERM BORROWINGS</b>		
Secured		
<b>Debentures</b>		
12% Non-convertible Debentures - Under Corporate Debt Restructuring (CDR)		
Face Value ₹ per Debenture		
<b>Numbers</b> <b>Particulars</b> <b>Current</b> Previous		
<b>17,85,286</b> 12% Public <b>45.00</b> 63.75		
<b>9,80,246</b> 12% Public <b>45.00</b> 63.75		
<b>2,59,150</b> 12% Public <b>90.00</b> 127.50		
<b>1,48,905</b> 12% Public <b>90.00</b> 127.50		
<b>9,00,000</b> 12% Private <b>45.00</b> 63.75		
	<b>1,120.41</b>	2,016.74
<b>Term Loans</b>		
From Banks	<b>1,736.52</b>	2,716.61
From Others	<u><b>8,589.54</b></u>	<u>5,532.68</u>
	<u><b>10,326.06</b></u>	<u>8,249.29</u>
	<u><b>11,446.47</b></u>	<u>10,266.03</u>

Notes:

- A.** The above reflect non-current portion only of the related borrowings and for the current portion (including due to default as on March 31, 2012) thereof. (Refer Note 9 on "Other Current Liabilities")

As at  
March 31, 2012  
Due from ₹ in lacs

- B.** Period and amount of continuing default in repayment of above loans (reflected in Note 9 on "Other Current Liabilities", being current in nature) as at March 31, 2012; however, there is no default as at March 31, 2013.

(Due from dates are given from the first outstanding)

Principal amounts

Public Debentures	14/Oct/11	172.77
Term Loans from Others	14/Jan/11	486.04
Term Loans from Others	15/Jul/10	<u>10,036.48</u>
		<u>10,695.29</u>

Interest amounts

Public Debentures	15/Nov/11	102.03
Term Loans from Others	15/Oct/10	424.52
Term Loans from Others	16/Jul/10	<u>3,971.22</u>
		<u>4,497.77</u>

Principal and interest amounts due and remaining unpaid

15,193.06

- i. The default arose from the date for quarterly instalments for borrowings under CDR. However, the amounts indicated are the aggregate amount of default existed on the Balance Sheet date.
- ii. The right to convert the defaulted amounts into equity shares [as referred to in D (v) below] was not exercised, by the lenders.
- iii. The amounts of loans not under CDR, which remained unpaid were shown under default as on March 31, 2012, have subsequently been restructured by BIFR Order of March 14, 2013. Since such loans are no longer under default the same are reflected as per the revised terms as per BIFR Order of aforesaid date.

**C Security and Repayment Terms:**

	As at March 31, 2013		As at March 31, 2012	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
<b>I. Breakup of borrowings:</b>				
a. Public Debentures, together with interest, remuneration to trustees, other amounts payable thereon and funded interest thereon.	<b>1,987.78</b>	<b>968.41</b>	1,611.74	844.33
b. Private Debentures, together with interest, remuneration to trustees, other amounts payable thereon.	<b>225.00</b>	<b>180.00</b>	405.00	168.75
c. Term Loans from Banks - Under CDR	<b>1,722.52</b>	<b>779.19</b>	2,661.54	745.81
d. Term Loans from Banks - Others	<b>14.00</b>	<b>41.08</b>	55.07	57.02
e. Term Loans from Others-Financial Institutions Under CDR	<b>924.84</b>	<b>382.62</b>	1,542.46	222.92
f. Term Loans from Others - Under CDR	<b>1,599.87</b>	<b>794.88</b>	3,990.22	486.04
g. Term Loans from Others - Vehicle	<b>23.45</b>	<b>10.41</b>	-	1.61
h. Term Loans from Others - Others	<b>4,949.01</b>	<b>2,540.06</b>	-	10,111.45
i. Hire Purchase Principal	-	-	-	17.74
	<u><b>11,446.47</b></u>	<u><b>5,696.65</b></u>	<u>10,266.03</u>	<u>12,655.67</u>



**II. Security:**

- a. Borrowings at part I (a) above is secured by way of pari-passu second mortgage in favour of the Trustees on the Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific and first charge holders. The said debentures are also secured by personal guarantee of two Directors of the Company.
- b. Borrowings at part I (b), (c), (e), (f) and (h) above are secured by way of pari-passu first mortgage in favour of the Trustees / lenders on the Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on stocks, spares and book debts for securing borrowings for working capital (on which they have a second charge) and on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific charge holders. These borrowings [except I (h)] are also secured by personal guarantee of two Directors of the Company.
- c. Borrowings at part I (d) and (g) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed thereunder and are further secured by personal guarantee / co borrowed by one of the directors of the Company.
- d. Borrowings at part I (i) is repayable in 60 equated monthly instalments carrying interest @ 11% p.a., and is secured by hypothecation of assets financed by them and personal guarantee by one of the directors of the Company.
- e. All the aforementioned borrowings except part I (d), (g) and (i) are further secured by hypothecation of 'Hathi' brand on pari-passu first charge basis and pledge of promoter shares in favour of the Trustees.

**III. Repayment Terms:**

- a. For Part I (a), (b), (c), (e) and (f), interest is payable by the Company on ballooning basis ranging from 2% p.a. to 12% p.a. resulting into an average rate of interest of 8.5% per annum. For the current year, such interest is payable and provided at 12% per annum. The first year interest @ 2% has been funded as Funded Interest Term Loan (FITL-II). The repayment of outstanding principal is to be made over a period of 10 years including the initial moratorium of first three years. (i.e. payable from July 14, 2007 till April 14, 2015 on the 14th date after the end of each calendar quarter on ballooning basis ranging from 7.50% to 20% p.a.) 50% of the unpaid simple interest on all the loans was converted into FITL-I. Both, FITL I and II, do not carry interest and are repayable 25% in the 9th and 75% in the 10th year (i.e. payable from July 14, 2013 till April 14, 2015).
- b. The amount outstanding as at March 31, 2012, in respect of Part I (h) is repayable in 12 quarterly instalments of 5% each, commencing from June 30, 2012 and 10% in 4 quarterly instalments of 10% each, commencing from June 30, 2015.
- c. For Part I (a), (b), (c), (e) and (f);
  - i. The Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
  - ii. The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
  - iii. In the event of default in compliance of restructuring package, after the approval of CDR, the lenders have a right to convert 100% of the defaulted amount of the restructured debt into Equity Shares of the Company, at any time during the currency of assistance, at a price to be determined as per SEBI Guidelines.
  - iv. The lenders have the right to convert 20% of the loan outstanding (including FITL and WCTL) into Equity Shares of the Company, at a price to be determined as per SEBI Guidelines in one or more occasions after 7 years from the date of approval. As regards zero coupon FITL, remaining outstanding beyond 7 years, such conversion right of lenders would be applicable to the entire amount and the conversion shall be at a price as per SEBI guidelines.

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>5 Other Long-term Liabilities</b>		
Security Deposits from Customers	<u>680.87</u>	<u>633.83</u>
	<u><b>680.87</b></u>	<u><b>633.83</b></u>

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>6 Long-term Provisions</b>		
For Employee Benefits - gratuity and compensated absences (Refer Note 36)	<u>807.67</u>	<u>725.15</u>
	<u><b>807.67</b></u>	<u><b>725.15</b></u>

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>7 Short-term Borrowings</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	<u>131.31</u>	<u>98.61</u>
Others	<u>440.74</u>	<u>441.17</u>
	<u><b>572.05</b></u>	<u><b>539.78</b></u>

**Security:**

The working capital facilities are secured by first charge by way of hypothecation of the current assets namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. It is also secured by second mortgage and charge on the Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Company. Of the above, a cash credit facility from a bank aggregating to ₹ 11.39 lacs (Previous Year ₹ 11.63 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>8 Trade Payables</b>		
Amounts Payable to a Related Party	<u>29.92</u>	<u>28.05</u>
Others	<u>3,562.48</u>	<u>4,220.26</u>
	<u><b>3,592.40</b></u>	<u><b>4,248.31</b></u>

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

i. Principal amount remaining unpaid and interest thereon	<b>5.84</b>	8.12
ii. Interest paid in terms of Section 16	-	-
iii. Interest due and payable for the period of delay in payment	<b>0.01</b>	0.05
iv. Interest accrued and remaining unpaid	<b>0.01</b>	0.05
v. Interest due and payable even in succeeding years	<b>1.06</b>	1.05

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>9 Other Current Liabilities</b>		
Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	<b>896.33</b>	840.31
Term Loans		
From Banks	<b>820.27</b>	802.83
From Other Parties	<b>3,980.05</b>	299.50
Hire Purchase Principal	<u>-</u>	<u>17.74</u>
	<b>5,696.65</b>	1,960.38
Interest Accrued but not Due on Borrowings *	<b>90.85</b>	139.49
Interest Accrued and Due on Borrowings *	-	4,497.76
Long-term Debts Due and Remaining Unpaid *		
Debentures - 12% Non-convertible	-	172.77
Term Loans from Other Parties	<u>-</u>	<u>10,522.52</u>
	-	10,695.29
Unencashed Matured Debentures and Interest Accrued Thereon	-	0.79
Unclaimed Share Application Money	<b>14.77</b>	14.77
Statutory Dues	<b>1,462.29</b>	12,080.24
(Refer Note below Note 29 regarding restructuring of Statutory Dues)		
Advances from Customers	<b>955.06</b>	967.53
Other Payables - includes Liabilities for Expenses at the year end	<u><b>2,941.10</b></u>	<u>1,888.49</u>
	<u><b>11,160.72</b></u>	<u>32,244.74</u>
* Refer Note 4 (C) above for security.		

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>10 Short-term Provisions</b>		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 36)	<b>178.48</b>	167.97
For Others	<u><b>73.25</b></u>	<u>60.43</u>
	<u><b>251.73</b></u>	<u>228.40</u>

Notes forming part of financial statements							₹ in lacs	
11 Fixed Assets [Refer Note (i)]	Gross Block		Depreciation, Amortisation and Impairment			Net Block		
	As at April 1, 2012	As at Additions / Deductions / Adjustments March 31, 2013	Up to March 31, 2012	For the Year Adjustments	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012	
<b>Tangible Fixed Assets</b>								
Freehold land	239.08	-	-	-	-	239.08	239.08	
Leasehold land	239.08	-	-	-	-	239.08	239.08	
[Refer Note (ii)]	21.45	-	-	-	-	21.45	21.45	
Buildings and Jetty	21.45	-	-	-	-	21.45	21.45	
[Refer Note (iii)]	6,004.78	81.12	-	265.40	3,365.47	2,720.43	2,904.71	
[Refer Note (iv)]	5,939.97	64.81	-	300.96	3,100.07	2,904.71	3,140.86	
Plant and equipments	45,427.13	466.34	480.22	1,714.08	468.30	16,115.62	17,375.28	
[Refer Note (v), (v)]	45,606.76	179.22	358.85	1,925.27	298.95	17,375.28	19,181.23	
Furniture and Fixtures	1,144.09	26.70	6.26	56.11	4.15	498.27	529.79	
	1,167.32	6.09	29.32	52.09	28.43	529.79	576.68	
Vehicles	1,276.57	321.27	152.22	81.10	62.82	738.52	587.75	
[Refer Note (vi)]	1,287.31	140.58	151.31	92.73	67.42	587.76	623.80	
Office equipments	420.07	140.79	29.82	37.71	26.68	277.77	177.83	
	692.01	61.16	333.11	27.84	308.82	420.06	411.03	
Railway siding, weighbridge, rolling stock and locomotives	281.56	-	-	2.38	-	14.60	16.98	
	281.56	-	-	6.84	-	16.98	23.82	
<b>Current Year</b>	<b>54,814.73</b>	<b>1,036.22</b>	<b>668.52</b>	<b>2,156.78</b>	<b>561.95</b>	<b>20,625.74</b>	<b>21,852.87</b>	
Previous year	55,235.46	451.86	872.59	2,405.73	703.62	21,852.87		
<b>Intangible Fixed Assets</b>								
Computer softwares	96.82	2.21	-	11.82	-	33.14	42.75	
Current Year	137.07	-	40.25	11.58	38.24	42.75		
Previous year								
<b>Capital work-in-progress</b>								
<b>Tangible Capital WIP</b>								
[Refer Note (vii), (viii)]								
Current Year	8,384.30	471.37	514.56	1,326.32	-	6,358.10	7,727.61	
Previous year	8,296.93	153.64	66.27	-	-	7,727.61		
<b>Intangible Capital WIP</b>								
Computer softwares								
Current Year	-	69.75	-	-	-	69.75	-	
Previous year	-	-	-	-	-	-	-	

**NOTES:**

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

	<b>As at March 31, 2013 ₹ in lacs</b>	<b>As at March 31, 2012 ₹ in lacs</b>
<b>vii. Accounting of Fixed Assets and Borrowing Costs</b>		
Capital work-in-progress includes pre-operative expenses, as under:		
a. Technical Consultancy	<b>320.40</b>	320.40
b. Employee Cost	<b>144.56</b>	144.56
c. Interest and Finance Cost	<b>3,104.18</b>	3,104.18
d. Traveling and Conveyance	<b>227.48</b>	227.48
e. Exchange Rate Fluctuation	<b>42.43</b>	42.43
f. Transportation Charges	<b>19.96</b>	19.96
g. Miscellaneous	<b>59.97</b>	59.97
	<b>3,918.98</b>	3,918.98

**viii. Impairment of Assets :**

The Company had incurred an aggregate sum of ₹ 7901.66 lacs (Previous Year ₹ 8036.81 lacs) towards Expansion Project Assets, and reflected under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased, civil work carried out and pre-operative expenses (including interest capitalised) as shown in Note 11 (vii) above. However, later on in the year 2005, due to several adversities, the project was suspended. At the year end, based on the assessment of the recoverable amount (net selling price) of the said suspended Project and civil works reflected under CWIP carried out by M/s Shinde Engineering Services, project consultants, updated from earlier assessment carried out by Holtec Consulting Private Limited as at March 31, 2011 a provision for impairment of ₹ 1983.01 lacs, including ₹ 1326.32 lacs, (Previous Year ₹ Nil), was recognised as required under Accounting Standard 28 on "Impairment of Assets".

As at  
**March 31, 2013**      As at  
March 31, 2012  
₹ in lacs                      ₹ in lacs

**12 Non-current Investments**

Long-term Investments - valued at cost less provision for other than temporary diminution Other than Trade

**In Equity Instruments of Subsidiaries**

Unquoted

(Fully paid equity shares of ₹ 10 each)

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

**In Equity Instruments of Others**

Quoted

(Fully paid equity shares of ₹ 10 each)

70,500	MTZ Industries Limited (under suspension on stock exchange and hence, fully provided for)	<b>35.25</b>		35.25
30,00,000	MTZ Polyfilms Limited	<b>600.00</b>		600.00
200	Dena Bank Limited	<b>0.06</b>		-
		<b>635.31</b>		635.25
	Less: Provision for diminution in value	<b>(588.75)</b>		(588.75)
			<b>46.56</b>	46.50

Unquoted

<b>Quantity</b>	<b>Investee company</b>	<b>Face Value</b>		
		<b>₹ per share</b>		
10	IL-Palazzo CHS Limited	50		
2,001	Rajkot Nagrik Sahakari Bank Limited	50		
2,500	Saraswat Co-op Bank Limited	10	<b>1.26</b>	1.26
			<b>1,880.19</b>	1,880.13

**In Government Securities: (At Cost)**

Unquoted

7 years National savings certificates kept as security with various Government authorities

-	0.08
<b>1,880.19</b>	<b>1,880.21</b>

<b>As at</b>		<b>As at</b>	
<b>March 31, 2013</b>		<b>March 31, 2012</b>	
₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
Aggregate amount of quoted investments	<b>635.31</b>	<b>39.67</b>	635.25
Aggregate amount of unquoted investments	<b>3,546.13</b>	-	46.50
	<b>4,181.44</b>		-
	<b>2,301.25</b>		3,546.21
			4,181.46
			<b>2,301.25</b>

### 13 ACCOUNTING FOR TAXES ON INCOME

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

In terms of AS 22, the Company recognised DTA on the basis of prudence only to the extent it would have sufficient future taxable income (by way of reduction in unabsorbed depreciation and / or carried forward business losses) against which the aggregate DTA recognised as on the Balance Sheet date would be realised. The Company also recognised DTA in respect of the unabsorbed depreciation to the extent of deferred tax liability (DTL) for timing difference for depreciation. Accordingly, upto March 31, 2012, DTA of ₹ 3204.68 lacs was recognised.

In view of the profits during the year, to the extent it sets off the unabsorbed depreciation and business losses, DTA of ₹ 3204.68 lacs so recognised, is reversed.

Upto March 31, 2013, the Company has recognised DTA of ₹ 1332.36 lacs, i.e. to the extent of DTL for the timing difference on account of depreciation.

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Deferred Tax Assets</b>		
i. Accrued expenses deductible on cash basis	-	2,845.51
ii. Accrued expenses deductible on payment of TDS thereon	-	359.17
iii. Unabsorbed depreciation	<b>1,332.36</b>	1,431.59
iv. Accumulated business losses	-	-
v. Closing balance	<b>1,332.36</b>	4,636.27
<b>Deferred Tax Liabilities</b>		
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 1956	<b>1,332.36</b>	1,431.59
ii. Closing balance	<b>1,332.36</b>	1,431.59
<b>Deferred Tax Assets - Net</b>	<b>-</b>	<b>3,204.68</b>

### 14 LONG-TERM LOANS AND ADVANCES

Unsecured - considered good

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
Capital Advances	<b>388.69</b>	380.73
Security Deposits	<b>636.54</b>	555.53
Loans and Advances to Related Parties - to Subsidiaries		
Interest-free Deposits	<b>34.40</b>	34.40
Other Receivables	<b>185.25</b>	156.02
(Refer Note 38)	<b>219.65</b>	190.42

Unsecured, Considered Doubtful

Intercorporate Deposits	<b>554.76</b>	554.76
Less: Provision for Bad and Doubtful Deposits	<b>(554.76)</b>	(554.76)
	<b>-</b>	-
	<b>1,244.88</b>	1,126.68

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>15 OTHER NON-CURRENT ASSETS</b>		
Inventories		
Stores and Spare Parts - (Refer Note below)	290.07	338.61
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	193.57	202.73
Less: Provision for Bad and Doubtful Debts	<u>(193.57)</u>	<u>(202.73)</u>
	-	-
Deposits with Banks		
Maturity beyond 12 months from the Balance Sheet Date		
Held as Margin Money	190.34	84.29
	<u>480.41</u>	<u>422.90</u>
Note:		
Inventories of stores and spare parts are for the plant which is not yet put up and therefore are not expected to be used within a period of 12 months from the balance sheet.		

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>16 INVENTORIES</b>		
Raw Materials	1,138.36	410.87
Packing Materials	147.06	74.26
Work-in-progress	861.09	673.24
Finished Goods	698.58	874.41
Fuels	2,027.92	2,016.40
Stores and Spare Parts	1,793.41	1,397.11
	<u>6,666.42</u>	<u>5,446.29</u>

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>17 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	371.75	464.89
Others	1,021.71	1,304.39
	<u>1,393.46</u>	<u>1,769.28</u>

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>18 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	266.65	421.23
Fixed Deposits (maturity of less than 3 months)	1,800.00	-
Cash on Hand	4.71	2.72
	2,071.36	423.95
Deposits with Banks		
(Maturity below 12 months from the Balance Sheet Date)		
Earmarked Balances with Banks	0.43	0.43
Held as Margin Money	38.23	152.79
Others	1,300.00	-
	<u>1,338.66</u>	<u>153.22</u>
	<u>3,410.02</u>	<u>577.17</u>



	<b>As at March 31, 2013 ₹ in lacs</b>	<b>As at March 31, 2012 ₹ in lacs</b>
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Other Loans and Advances		
Advances Recoverable in cash or in Kind or for value to be received	<b>580.23</b>	579.43
Advances Against Purchase of Stores	<b>323.70</b>	718.95
Taxes Paid (Net of Provision of ₹ Nil, Previous year ₹ Nil)	<b>145.22</b>	136.76
	<b><u>1,049.15</u></b>	<b><u>1,435.14</u></b>

	<b>As at March 31, 2013 ₹ in lacs</b>	<b>As at March 31, 2012 ₹ in lacs</b>
<b>20 OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
Export Benefits Receivable	<b>57.88</b>	39.42
Interest Receivable	<b>252.36</b>	22.26
	<b><u>310.24</u></b>	<b><u>61.68</u></b>

	<b>For the Year ended March 31, 2013 ₹ in lacs</b>	<b>For the Year ended March 31, 2012 ₹ in lacs</b>
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products		
Manufactured Goods	<b>56,082.97</b>	45,859.87
Traded Goods	<b>2,939.66</b>	1,598.82
	<b>59,022.63</b>	47,458.69
Other Operating Revenues		
Sale of Power	<b>333.34</b>	361.84
Sale of Other Products / Scrap	<b>241.21</b>	173.82
Export Entitlements	<b>118.42</b>	149.95
	<b>692.97</b>	685.61
	<b>59,715.60</b>	48,144.30
Less: Excise Duty	<b>(5,924.55)</b>	(4,282.49)
	<b><u>53,791.05</u></b>	<b><u>43,861.81</u></b>
<b>Details of Products Sold</b>		
Sale of Manufactured Goods		
Cement	<b>55,230.74</b>	45,814.38
Clinker	<b>852.23</b>	45.49
	<b>56,082.97</b>	45,859.87
Sale of Traded Goods		
Cement	<b>2,939.66</b>	1,239.78
Clinker	<b>-</b>	359.04
	<b><u>2,939.66</u></b>	<b><u>1,598.82</u></b>

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>22 OTHER INCOME</b>		
Interest Income on		
- Fixed Deposits with Banks	139.51	52.01
- Fixed deposits with a State Financial Corporation	215.63	-
- Others	<u>15.65</u>	<u>17.41</u>
	<b>370.79</b>	<b>69.42</b>
Dividends Income from Long-term Investments - others	0.26	0.25
Miscellaneous Income (including overheads shared)	54.60	44.88
Insurance Claims	241.92	81.42
Profit on Sale of Fixed Assets	63.17	57.50
Bad Debts Recovered	4.30	4.53
Provision for Doubtful Debts no longer required	0.58	18.71
Excess Provision Written Back	204.76	168.79
Trade Payables Written Back	<u>85.44</u>	<u>80.45</u>
	<b><u>1,025.82</u></b>	<b><u>525.95</u></b>

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>23 COST OF MATERIALS CONSUMED</b>		
Raw Materials		
Opening Stock of Raw Materials	410.87	335.63
Add: Purchases	2,644.62	1,956.06
Less: Closing Stock of Raw Materials	<u>(1,138.36)</u>	<u>(410.87)</u>
	<b>1,917.13</b>	<b>1,880.82</b>
Packing Materials		
Opening Stock of Packing Materials	74.26	192.72
Add: Purchases	1,651.31	1,163.85
Less: Closing Stock of Packing Materials	<u>(147.06)</u>	<u>(74.26)</u>
	<b>1,578.51</b>	<b>1,282.31</b>
	<b><u>3,495.64</u></b>	<b><u>3,163.13</u></b>
Details of Raw Materials Consumed		
Gypsum	647.52	621.52
Fly Ash	796.61	631.18
Clinker Purchased	-	210.94
Iron Ore	255.62	156.64
Others	<u>217.38</u>	<u>260.54</u>
	<b><u>1,917.13</u></b>	<b><u>1,880.82</u></b>

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>24 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Traded Goods		
Cement	2,939.66	1,239.78
Clinker, Coal and Pet Coke	<u>-</u>	<u>370.56</u>
	<b><u>2,939.66</u></b>	<b><u>1,610.34</u></b>

	<b>For the Year ended March 31, 2013 ₹ in lacs</b>	<b>For the Year ended March 31, 2012 ₹ in lacs</b>
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Stocks at the end		
Finished Goods - Cement	698.58	874.41
Work-in-progress - Raw Flour and Clinker	861.09	673.24
	<b>1,559.67</b>	<b>1,547.65</b>
Less: Stocks at the Beginning		
Finished Goods - Cement	874.41	1,125.16
Work-in-progress - Raw Flour and Clinker	673.24	643.51
Stock-in-trade - Cement	-	30.89
	<b>1,547.65</b>	<b>1,799.56</b>
	<b>(12.02)</b>	<b>251.91</b>
Increase / (Decrease) in Excise Duty on Stocks	<b>11.31</b>	<b>(1.12)</b>
	<b>(0.71)</b>	<b>250.79</b>

	<b>For the Year ended March 31, 2013 ₹ in lacs</b>	<b>For the Year ended March 31, 2012 ₹ in lacs</b>
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
(Refer note to Note 28)		
Salaries, Wages and Bonus	2,350.21	2,140.51
Contribution to Provident and other Funds	220.34	204.01
Gratuity Expense	142.39	87.98
Staff Welfare Expenses	105.90	58.70
	<b>2,818.84</b>	<b>2,491.20</b>

	<b>For the Year ended March 31, 2013 ₹ in lacs</b>	<b>For the Year ended March 31, 2012 ₹ in lacs</b>
<b>27 FINANCE COSTS</b>		
Interest expense		
On Borrowings	2,116.47	3,309.67
On Others (including on rent arrears ₹ 628.52 lacs (Previous Year ₹ Nil) based on the Supreme Court order)	1,216.54	1,139.21
	<b>3,333.01</b>	<b>4,448.88</b>
Other Borrowing Costs	5.26	21.02
	<b>3,338.27</b>	<b>4,469.90</b>

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>28 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3,433.68	3,111.62
Power and Fuel	15,082.55	15,928.37
Rent (including arrears ₹ 383.24 lacs (Previous Year ₹ Nil) based on the Supreme Court order)	519.79	129.96
Repairs and Maintenance:		
Buildings, etc.	229.68	67.89
Machinery	1,377.03	1,341.88
Others	355.49	254.05
	<b>1,962.20</b>	1,663.82
Insurance	120.81	133.48
Rates and Taxes	17.23	27.07
Raw Material Handling Charges [Refer Note (a) below]	386.67	334.98
Limestone / Marl Raising Charges [Refer Note (a) below]	665.71	752.19
Royalty and Cess [Refer Note (a) below]	897.45	798.53
Advertisement, Business Promotional and Service Charges	1,308.28	511.97
Freight and Handling Expenses	6,695.50	6,846.20
Commission	700.56	460.55
Directors' Fees	12.60	12.20
Charity and Donation	1.00	1.00
Traveling and Conveyance	187.00	186.44
Legal and Professional Charges	217.54	220.26
Net Loss on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	124.03	87.99
Auditor's Remuneration		
Audit Fees	7.00	7.00
Tax Audit Fees	2.65	2.65
For Other Services - Certification Work	5.30	2.75
Reimbursement of Expenses	0.30	0.47
	<b>15.25</b>	12.87
Provision for Doubtful Debts	11.06	-
Bad Debts Written Off	19.64	80.09
Less: Provision for Doubtful Debts Written Back	(19.64)	(80.09)
	-	-
Loss on Sale of Assets	42.32	40.43
Assets Discarded / Written Off	0.67	57.99
Miscellaneous Expenses	914.57	802.97
Cost of Cement Self Consumed [Refer Note (b) below]	(24.18)	(6.17)
	<b>33,292.29</b>	32,114.72

**Notes:**

- a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) include expenses incurred on cost of raising and transporting limestone / marl, which are part of the raw materials, details of which are as under:
- |                                      |                 |          |
|--------------------------------------|-----------------|----------|
| Salaries, Wages and Bonus            | 90.63           | 54.69    |
| Stores and Spare Parts Consumed      | 228.86          | 195.46   |
| Repairs and Maintenance to Machinery | 24.36           | 20.33    |
| Raw Material Handling Charges        | 227.10          | 206.69   |
| Limestone / Marl Raising Charges     | 665.25          | 752.19   |
| Royalty and Cess                     | 887.39          | 789.09   |
|                                      | <b>2,123.59</b> | 2,018.45 |
- b. Cost of cement self consumed also includes other non material raw materials costs and depreciation.

	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>29 EXCEPTIONAL GAIN</b>		
Write Backs on One Time Settlement (OTS) with Government of Gujarat (GoG) [Refer Note (a) below]	<b>12,007.27</b>	-
Interest Income on GSFS Deposit	<b>2,693.18</b>	-
Interest Write Back on Long Term Debt [Refer Note (b) below]	<b>1,414.84</b>	-
	<b>16,115.29</b>	-

**Notes:**

- a. The Company had applied to the Government of Gujarat (GOG) for One Time Settlement (OTS) of the outstanding dues as per Option II of the Government Resolution for OTS applicable to sick units under BIFR. The GOG, vide its Letter Ref IC/IM/BIFR/9351275/699695 dated May 17, 2012 conveyed approval of the OTS proposal as approved by the High Power Committee of GOG (HPC), which inter-alia envisaged remission of entire amount of interest, penal interest and penalty on payment of principal amount as detailed hereinbelow.
- i. 10% of amount payable as down payment, payable within 30 days of the sanction letter.
  - ii. Balance 90% along with 9% simple interest on the outstanding amount to be paid in 17 equal monthly instalments.
- The Company has executed the necessary documentation for the OTS. The GOG, vide Letter Ref PRCH-102010-151783-GSFS-367-P dated July 30, 2012 directed Gujarat State Financial Services Limited (GSFS) to place ₹ 5200 lacs in Liquid Deposit Scheme for payment in Escrow account with Gujarat Industrial Development Corporation Limited, such that the monthly instalments (including interest) can be paid out of the same on due dates. The balance amount out of ₹ 4493.19 lacs has been refunded to the Company, alongwith interest on the deposit of ₹ 7000 lacs kept by the Company with GSFS.
- b. The Company was registered as a sick company with Board for Industrial and Financial Reconstruction (BIFR) in September 2006. Based on the recommendations of the Operating Agency, IFCI Limited (OA), a Draft Rehabilitation Scheme (DRS) was circulated by the Hon'ble BIFR. After hearing the views of all concerned, the Hon'ble BIFR passed an Order on June 1, 2012 sanctioning the Draft Rehabilitation Scheme of the Company and directed the OA to submit the updated DRS incorporating their directions. The OA has since submitted the said updated DRS. Hon'ble BIFR, at the hearing held on March 14, 2013 directed release of the write-up of the Sanctioned Scheme. The Sanctioned Scheme envisages the following;
- i. Lenders covered under Scheme of Compromise and Arrangement u/s 391 to 394 of Companies Act, 1956 to be paid as per the CDR Scheme / Scheme of Compromise u/s 391 to 394 of Companies Act, 1956.
  - ii. For loans from India Debt Management Private Limited not covered in (i) above, the interest rate has been reset to 12% simple interest with effect from April 1, 2010 and the entire amount outstanding as on March 31, 2012 to be repaid over a period of four years.
  - iii. Promoters and their associates to infuse fresh equity of ₹ 1800 lacs.
- c. It has been decided not to provide for losses of subsidiaries, which was hitherto provided. Had the same been provided, the exceptional loss in aggregate for the year and the carried forward deficit for the year would have been higher by ₹ 137.44 lacs.

- 30** In view of the carried forward losses and unabsorbed depreciation available, the Company is not liable to tax as per the normal provisions of the Income-tax Act, 1961. Further, since the Company is registered under BIFR, though the net worth of the Company is positive as at March 31, 2013, as per the provisions of Minimum Alternate Tax under Section 115JB of the Income-tax Act, 1961, the Company is not liable for tax for the year in which its net worth has turned positive.

	As at March 31, 2013	As at March 31, 2012
	₹ in lacs	₹ in lacs

### 31 CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent liabilities: (to the extent not provided for)		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 388.69 lacs, previous year ₹ 380.73 lacs).	<b>332.79</b>	106.06
b. Matters under disputes / appeals :		
Sales Tax liabilities	<b>435.67</b>	671.17
Excise Duty	<b>296.71</b>	174.05
Service Tax	<b>106.16</b>	106.16
Royalty	<b>15.12</b>	66.10
Customs Duty	<b>4.05</b>	625.55
Public Premises (Eviction of unauthorised Occupants) Act, 1971	-	966.05
Road Tax	<b>26.54</b>	26.54
Claims filed by workmen or their union against the Company	<b>373.89</b>	354.52
On account of Power Supply	<b>440.99</b>	440.99
Other demands and claims against the Company not acknowledged as debts	<b>20.55</b>	46.25
c. The operation of a show cause notice dated August 20, 2002 issued by the Jute Commissioner, stipulating the Company to fulfill the obligation of packing a minimum of 50% of cement in jute bags from March 15, 1995 or pay penalty under Section 3 (1) of the Jute Packing Materials (Compulsory use in Packing Commodities) Act, 1987 is presently stayed by Calcutta High Court, the amount of which is not ascertainable.		
d. The amounts stated are including interest and penalty, to the extent demanded.		

ii. Commitments:

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

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**32** The accumulated arrears of preference dividend unprovided for the period from November 2000 till the balance sheet date amounted to ₹ 1103.91 lacs (Previous year ₹ 1014.52 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.

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**33** The Company is registered as a sick Industrial Company with the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR, vide its order dated June 1, 2012 has formulated and circulated a Sanctioned Rehabilitation Scheme (SS-12) for revival of the Company, inter-alia providing relief and concessions from various agencies including reduction / waivers of interest (including default interest, penal interest and penalties). The scheme as approved is presently under operation. Based on overall growth in the cement Industry barring any unforeseen circumstances, the continuation of sanctioned Corporate Debt Restructuring (CDR) Scheme and with One Time Settlement of GoG, the accounts of the Company are prepared on a going concern basis.

- 34** Expenses on maintenance, etc. incurred during the year for a guest house at Mumbai amounting to ₹ 5.99 lacs (Previous year ₹ 5.38 lacs) have been presently borne by the Company. The guesthouse was under the unauthorised occupation of relatives of the ex-chairman. The Company had filed a suit for recovery of the possession of the guesthouse, which also includes recovery of expenses incurred. The said suit was decided against the Company by declaring legal heirs of the ex-chairman as tenants. The Company has preferred an appeal before the Division Bench against the said order, which is pending.

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	<b>₹ in lacs</b>	₹ in lacs
<b>35 ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT AND LOSS</b>		
i. Value of imports calculated on CIF basis		
a. Components and Spare Parts	<b>494.11</b>	304.88
b. Capital Goods	<b>25.55</b>	-
ii. Expenditure in Foreign Currency		
a. Traveling Expenses	<b>7.26</b>	16.15
b. Commission on Exports	-	15.76
c. Sea Freight and Demurrage	<b>7.93</b>	55.81
d. Professional Fees	<b>1.09</b>	19.52
e. License / Registration of Trade Mark Fees	<b>13.74</b>	17.23
f. Others	<b>5.01</b>	0.58
	<b>For the year ended March 31, 2013</b>	For the year ended March 31, 2012
	<b>₹ in lacs</b>	₹ in lacs
	<b>%</b>	<b>%</b>
iii. Value of Imported / Indigenous Consumption		
Raw Materials - Indigenous	<u><b>4,040.72</b></u>	<u>3,899.27</u>
Spare Parts and Components		
a. Imported	<b>387.81</b>	426.65
b. Indigenous *	<u><b>5,239.17</b></u>	<u>2,489.50</u>
	<u><b>5,626.98</b></u>	<u>2,916.15</u>
	<b>100.00%</b>	<b>100.00%</b>
* Includes amounts directly debited to various account heads		
iv. Earnings in Foreign Currency		
a. Exports on FOB basis	<b>9,484.81</b>	8,059.09
b. Despatch money on Export of Goods	<b>32.45</b>	1.45

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>36 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	244.12	208.23	648.22	625.51
Current Service Cost	14.39	25.63	29.47	3.86
Interest Cost	20.75	16.66	55.10	46.91
Actuarial (Gain) / Loss on obligations	39.66	45.29	57.46	22.64
Benefits paid	(42.88)	(51.70)	(76.25)	(50.70)
Present value of Obligation as at the end	<u>276.04</u>	<u>244.11</u>	<u>714.00</u>	<u>648.22</u>
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning	Not Applicable		3.92	0.58
Expected return on Plan Assets	Not Applicable		0.33	0.04
Contributions	Not Applicable		76.00	61.50
Benefits paid	Not Applicable		(76.25)	(50.70)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		(0.11)	(7.51)
Fair value of Plan Assets as at the end	Not Applicable		<u>3.89</u>	<u>3.91</u>
<b>iii. The amount recognised in Balance Sheet</b>				
Gross value of present Obligation at the end	276.04	244.12	713.99	648.22
Fair Value of Plan Assets at the end	-	-	3.88	3.92
Net (Liability) recognised in Balance sheet	<u>276.04</u>	<u>244.12</u>	<u>710.11</u>	<u>644.30</u>
<b>iv. Amount recognised in the Statement of Profit and Loss</b>				
Current Service Cost	14.39	25.63	29.47	3.86
Interest Cost	20.75	16.66	55.10	46.91
Expected return on Plan Assets	-	-	(0.33)	(0.04)
Net actuarial loss recognised in the year	39.66	45.29	57.57	30.14
Expenses Recognised in the statement of Profit and Loss	<u>74.80</u>	<u>87.58</u>	<u>141.81</u>	<u>80.87</u>
<b>v. Category of Assets</b>				
Insurer managed funds	Not applicable		3.88	3.91
<b>Total</b>	<u>Not applicable</u>		<u>3.88</u>	<u>3.91</u>
<b>vi. Assumptions</b>				
Mortality Table	Indian Assured Life Mortality 2006-08	LIC 1994-96	Indian Assured Life Mortality 2006-08	LIC 1994-96
Discount Rate	8.00%	8.50%	8.00%	8.50%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		8.50%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%

vii. The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.

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

Particulars	(₹ in lacs)	
	2013	2012
Experience adjustment		
On plan liability (gain)/loss	38.19	(146.79)
On plan asset gain	(0.11)	(7.51)
Present value of benefit obligation	713.99	648.22
Fair value of plan assets	3.88	3.91
Excess of obligation over plan assets (net)	710.11	644.30



	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>37 SEGMENT REPORTING</b>		
The Company has only one business segment 'cement / clinker' as primary segment. The secondary segment is geographical segment which is given below :		
Domestic revenues (net of excise duty)	43,613.27	35,117.11
Exports - International markets	9,484.81	8,059.09
Total	53,098.08	43,176.20

All the assets of the Company are in India only.

### 38 RELATED PARTY DISCLOSURES

#### List of related parties:

- i. Enterprises under control, or are controlled by, or under common control, with the reporting enterprise are;
  - a. Jagmi Investment Limited
  - l. Sumaraj Holdings Private Limited
  - b. Fawn Trading Co. Pvt. Limited
  - m. Clarence Investments Limited
  - c. Fern Trading Co. Pvt. Limited
  - n. TransAsia Investment & Trading Limited
  - d. Willow Trading Co. Pvt. Limited
  - o. Hopgood Investments Limited
  - e. Tejashree Trading Co. Pvt. Limited
  - p. Sampson Limited
  - f. Pallor Trading Co. Pvt. Limited
  - q. Villa Trading Co. Pvt. Ltd.
  - g. The Mehta International Limited
  - r. Aber Investments Limited
  - h. Mehta Private Limited
  - s. Galaxy Technologies Private Limited
  - i. Sameta Exports Pvt. Limited
  - t. Mehta Sports Private Limited
  - j. Glenn Investments Limited
  - u. The Sea Island Investments Limited
  - k. Sunnidhi Trading Private Limited
- ii. Subsidiary Companies :
  - a. Agrima Consultants International Limited
  - d. Ria Holdings Limited
  - b. Pranay Holdings Limited
  - e. Reeti Investments Limited
  - c. Prachit Holdings Limited
  - f. Concorde Cement P. Limited
- iii. Key Management Personnel :
  - a. Mr. Jay M Mehta – Executive Vice Chairman
  - b. Mr. M S Gilotra - Managing Director
- iv. Relatives of Key Management Personnel with whom Transactions have taken place:
  - a. Mrs. Narinder Kaur - Wife of Mr. M S Gilotra
  - b. Mr. Amandeep Singh Gilotra - Son of Mr. M S Gilotra
  - c. Mr. Mahendra N Mehta - Father of Mr Jay M Mehta
- v. Enterprise having Key Management Personnel in common:
  - a. Gujarat Sidhee Cement Limited

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>TRANSACTIONS WITH RELATED PARTIES:</b>		
i. Transactions and Balances with subsidiary companies:		
a. Amount Receivable from subsidiaries		
Agrima Consultants International Limited	160.21	132.74
Prachit Holdings Limited	9.15	8.90
Pranay Holdings Limited	4.66	4.31
Ria Holdings Limited	4.55	3.55
Reeti Investments Limited	6.67	6.52
b. Deposits with Reeti Investments Limited	34.40	34.40
ii. Payments to Key Managerial Personnel:		
a. Remuneration to Mr. Jay M Mehta	36.58	36.58
b. Remuneration to Mr. M S Gilotra	120.05	67.78

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
iii. Payments to relatives of Key Managerial Personnel:		
a. Security Deposit to Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
b. Rent to Mrs. Narinder Kaur	1.20	1.20
c. Directors sitting fees to Mr. Mahendra N Mehta	0.20	0.40
iv. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of Goods and materials	2,948.45	1,912.20
b. Sale of Goods and materials	201.91	83.90
c. Expenses / (Recovery) for services (net)	(34.14)	2.05
d. Amount payable as at the end of the year	29.92	28.05

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>39 Outstanding Lease Disclosures</b>		
Cost of machinery acquired under finance leases	206.69	206.69
Net carrying amount at the Balance Sheet date	98.54	121.91
Lease rent payable obligation:		
not later than one year;	-	17.74
later than one year and not later than five years;	-	-
later than five years;	-	-

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>40 Earnings Per Share</b>		
Weighted average number of equity shares of ₹ 10 each	<u>5,11,91,065</u>	<u>5,11,91,065</u>
Net Profit / (Loss) for the year	18,403.89	(1,908.75)
Less: Dividend payable to OCCPS holders (Refer Note 2 b)	(89.39)	(89.39)
Net Profit / (Loss) available to equity shareholders	<u>18,314.50</u>	<u>(1,998.14)</u>
Basic and diluted earnings per share (in rupees)	<u>35.78</u>	<u>(3.90)</u>

**41 Financial Instruments: Disclosures**

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

	As at March 31, 2013		As at March 31, 2012	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
a. Debtors Receivable	-	-	559,418	282.62
b. Advances from Customers	<u>39,699</u>	<u>21.69</u>	<u>34,524</u>	<u>17.67</u>
	<u>39,699</u>	<u>21.69</u>	<u>593,942</u>	<u>300.29</u>

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 28, 2013

For and on Behalf of the Board of Directors

**M. N. Mehta**  
**Jay Mehta**  
**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra**

*Chairman*  
*Executive Vice Chairman*

**V. R. Mohnot**  
Mumbai, Dated May 28, 2013

*Managing Director*  
*Director (F) & Co. Secretary*

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

We have audited the accompanying Consolidated Financial Statements of **SAURASHTRA CEMENT LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Company and its subsidiaries, these Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of any of the Subsidiaries, namely, Pranay Holdings Limited, Prachit Holdings Limited, Ria Holdings Limited, Reeti Investments Limited and Agrima Consultants International Limited, whose financial statements reflect total assets (net) of ₹ 218.14 lacs as at March 31, 2013, total revenues (net) of ₹ 244.03 lacs, and net cash outflow amounting to ₹ 0.73 lacs for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, is based solely on the report of the other auditors.

Our opinion is not qualified in respect of other matters.

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

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

Place : Mumabi  
Date : May 28, 2013

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	2	5,807.02		5,807.02
Reserves and Surplus	3	8,984.46	14,791.48	(9,331.95)
				(3,524.93)
<b>Non-current Liabilities</b>				
Long-term Borrowings	4	11,446.47		10,266.03
Other Long-term Liabilities	5	680.92		633.88
Long-term Provisions	6	807.67	12,935.06	725.15
				11,625.06
<b>Current Liabilities</b>				
Short-term Borrowings	7	572.05		539.78
Trade Payables	8	3,642.65		4,327.40
Other Current Liabilities	9	11,164.16		32,256.27
Short-term Provisions	10	251.73		228.40
			15,630.59	37,351.85
		<b>TOTAL</b>	<b>43,357.13</b>	<b>45,451.98</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	11			21,865.69
Intangible Assets		20,635.66		42.75
Tangible Capital Work-in-progress		33.14		7,727.60
Intangible Assets under Development		6,358.10		-
		69.75		29,636.04
		27,096.65		1,499.54
Non-current Investments	12	1,499.43		3,204.68
Deferred Tax Assets (net)	13	-		1,304.31
Long-term Loans and Advances	14	1,393.37		422.90
Other Non-current Assets	15	480.41	30,469.86	36,067.47
				5,446.29
<b>Current Assets</b>				
Inventories	16	6,666.42		1,819.23
Trade Receivables	17	1,407.23		588.64
Cash and Bank Balances	18	3,420.76		1,468.67
Short-term Loans and Advances	19	1,082.62		61.68
Other Current Assets	20	310.24	12,887.27	9,384.51
			<b>43,357.13</b>	<b>45,451.98</b>
		<b>TOTAL</b>		

### Significant Accounting Policies and Notes form an 1 - 41 integral part of the Consolidated Financial Statements

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 28, 2013

For and on Behalf of the Board of Directors

**M. N. Mehta**  
**Jay Mehta**  
**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra**  
**V. R. Mohnot**  
Mumbai, Dated May 28, 2013

*Chairman*  
*Executive Vice Chairman*

*Managing Director*  
*Director (F) & Co. Secretary*

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

		March 31, 2013	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	Note	₹ in lacs	₹ in lacs	₹ in lacs
Revenue from Operations (Gross)	21		59,957.50	48,280.22
(Less): Excise Duty			<u>(5,924.55)</u>	<u>(4,282.49)</u>
Revenue from Operations (Net)			54,032.95	43,997.73
Other Income	22		<u>1,027.90</u>	<u>527.58</u>
<b>Total Revenue</b>			<u><b>55,060.85</b></u>	<u><b>44,525.31</b></u>
<b>Expenses</b>				
Cost of Materials Consumed	23		3,495.64	3,163.13
Purchases of Stock-in-trade	24		2,939.66	1,610.34
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25		(0.71)	250.79
Employee Benefits Expense	26		2,818.84	2,491.20
Finance Costs	27		3,338.27	4,469.90
Depreciation, Amortisation and Impairment		3,497.89		2,423.63
(Less): Amount Withdrawn from Revaluation Reserve		<u>(55.32)</u>		<u>(220.88)</u>
			<b>3,442.57</b>	2,202.75
Other Expenses	28		<u>33,565.46</u>	<u>32,385.78</u>
<b>Total Expenses</b>			<u><b>49,599.73</b></u>	<u><b>46,573.89</b></u>
<b>Profit/(Loss) before Exceptional Items and Tax</b>			<b>5,461.12</b>	<b>(2,048.58)</b>
Exceptional items - Gain / (Loss)	29		<u>16,115.29</u>	<u>-</u>
<b>Profit/ (Loss) before Tax</b>			<b>21,576.41</b>	<b>(2,048.58)</b>
<b>Tax Expense</b>	30			
Current Tax			-	-
Deferred Tax		<u>3,204.68</u>		<u>-</u>
			<b>3,204.68</b>	<b>-</b>
<b>Profit/ (Loss) for the year</b>			<u><b>18,371.73</b></u>	<u><b>(2,048.58)</b></u>
<b>Earnings per equity share of ₹ 10 par value per share</b>				
Basic and diluted ( ₹ per share)	40		35.71	(4.18)

### Significant Accounting Policies and Notes form an 1 - 41 integral part of the Consolidated Financial Statements

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 28, 2013

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Mumbai, Dated May 28, 2013

*Chairman*  
*Executive Vice Chairman*

*Managing Director*  
*Director (F) & Co. Secretary*

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹ in lacs	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit / (Loss) for the year before tax</b>		<b>21,576.41</b>	(2,048.58)
Adjustments for :			
Add: Finance Costs	3,338.27		4,469.90
Hire Purchase Rentals	2.23		3.97
Loss on Sale of Assets / Assets Discarded	42.99		98.42
Provision for Doubtful debts	11.06		-
Depreciation, Amortisation and Impairment	3,442.57		2,202.75
		<b>6,837.12</b>	6,775.04
Less: Profit on Sale of Assets	63.17		57.50
Interest Income	370.79		69.42
Dividends Received	0.31		0.30
Excess Provision and Sundry Creditors Written Back	290.23		249.24
Doubtful Debts Written Back	0.58		23.24
Exceptional Gain	16,115.29		-
		<b>(16,840.37)</b>	(399.70)
<b>Operating profit before working capital changes</b>		<b>11,573.16</b>	4,326.76
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	129.56		140.06
Trade Payables and Other Current Liabilities	2,105.77		(1,089.33)
Long-term Loans and Advances and Other Non-current Assets	(138.61)		16.24
Inventories	(1,220.13)		(926.74)
Trade Receivables and Short-term Loans and Advances	783.65		247.85
Other Current Assets	(18.46)		28.62
		<b>1,641.78</b>	(1,583.30)
<b>Cash generated from operations</b>		<b>13,214.94</b>	2,743.46
Add: Direct Taxes (Payments) / Refunds		<b>(8.56)</b>	(24.11)
<b>Net cash flow from operating activities</b>		<b>13,206.38</b>	2,719.35

	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	₹ in lacs	₹ in lacs	₹ in lacs
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets / Capital Work-in-progress	(1,072.95)		(603.63)
Sale of Fixed Assets	126.75		129.36
Sale of Non-current Investments	0.03		-
Interest Income	2,833.87		64.27
Dividends Received	0.31		0.30
<b>Net cash flow from / (used in) investing activities</b>		<b>1,888.01</b>	<b>(409.70)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term Borrowings	33.86		60.22
Payment of Long-term Borrowings	(7,365.33)		(1,202.33)
Short-term Borrowings	32.27		(247.32)
Deposits Held as Margin Money	(1,185.44)		99.23
Repayment of Hire Purchase Liabilities	(19.97)		(57.04)
Finance Costs Paid	(4,943.10)		(1,085.76)
<b>Net cash flow used in financing activities</b>		<b>(13,447.71)</b>	<b>(2,433.00)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,646.68</b>	<b>(123.35)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>435.42</b>	<b>558.77</b>
<b>Cash and cash equivalents as at the end of the year (Refer Note 18)</b>		<b>2,082.10</b>	<b>435.42</b>

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

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Mumbai, Dated May 28, 2013

For and on Behalf of the Board of Directors  
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**Jay Mehta** *Executive Vice Chairman*

**Hemang D. Mehta**  
**S. V. S. Raghavan**  
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**B. P. Deshmukh**  
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**V. R. Mohnot**

*Managing Director*  
*Director (F) & Co. Secretary*

Mumbai, Dated May 28, 2013

## Notes forming part of Consolidated Financial Statements

### 1 Significant Accounting Policies

#### 1.1 Basis Of Preparation :

The Consolidated Financial Statements are prepared in accordance with the generally accepted principles under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at Ranavav) on accrual basis under the going concern assumption. These Consolidated Financial Statements have been prepared to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 as the Companies (Accounting Standards) Rules, 2006, and in accordance with the other relevant provisions of the Companies Act, 1956.

#### 1.2 Principles of Consolidation :

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

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

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2013	Financial Year ends
i.	Pranay Holdings Limited	India	100%	Year ended March 31, 2013.
ii.	Prachit Holdings Limited	India	100%	
iii.	Ria Holdings Limited	India	100%	
iv.	Reeti Investments Limited	India	100%	
v.	Agrima Consultants International Limited	India	100%	

#### 1.4 Use of Estimates :

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

#### 1.5 Fixed Assets :

- i. Fixed Assets are stated at cost and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.



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

**1.6 Depreciation / Amortisation :**

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

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

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

**1.8 Impairment of Assets :**

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

### 1.9 Investments :

- i. Investments that are intended to be held for more than a year from the date of acquisition are classified as long-term investments and are stated at its cost of acquisition. Diminution, other than temporary, in the value of such investments is provided. Investments other than long-term investments, being current investments, are valued at the lower of cost and fair value, determined on an individual basis, including held by the Subsidiaries for long-term purposes is provided. Diminution in the value of other investments is provided.

### 1.10 Inventories :

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

### 1.11 Accounting Of Cenvat / VAT Benefits :

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

### 1.12 Revenue Recognition :

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

### 1.13 Foreign Currency Transactions :

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

### 1.14 Employee Benefits :

- i. Defined contribution plan: The Holding Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the year in which the employees renders the related service.

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

**1.15 Borrowing Costs :**

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

**1.16 Taxation :**

- i. Tax on income for the current year is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.
- ii. Deferred tax resulting from "timing difference" is recognised, subject to the consideration of prudence, using the current rates and tax laws that have been enacted or substantively enacted by the Consolidated Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future. Deferred tax Assets are reviewed at each Consolidated Balance Sheet date.

**1.17 Provisions, Contingent Liabilities And Contingent Assets :**

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹ in lacs	Numbers	₹ in lacs
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares, of ₹ 10 par value	13,00,00,000	13,000.00	13,00,00,000	13,000.00
Preference Shares, of ₹ 100 par value	60,00,000	6,000.00	60,00,000	6,000.00
Unclassified Shares, of ₹ 10 par value	50,00,000	500.00	50,00,000	500.00
		<u>19,500.00</u>		<u>19,500.00</u>
<b>Issued</b>				
Equity Shares, of ₹ 10 par value	5,90,95,018	5,909.50	5,90,95,018	5,909.50
13% Optionally Convertible Cumulative Preference shares, of ₹ 100 par value	6,87,595	687.60	6,87,595	687.60
		<u>6,597.10</u>		<u>6,597.10</u>
<b>Subscribed and Paid Up</b>				
Equity shares, of ₹ 10 par value	5,11,91,065	5,119.11	5,11,91,065	5,119.11
13% Optionally Convertible Cumulative Preference shares, of ₹ 100 par value	6,87,595	687.60	6,87,595	687.60
		<u>5,806.71</u>		<u>5,806.71</u>
Equity Shares - forfeited (₹ 2 per share paid up)	15,269	0.31	15,269	0.31
		<u>5,807.02</u>		<u>5,807.02</u>

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹ in lacs	Numbers	₹ in lacs
a. Equity Shares, of ₹ 10 par value				
At the beginning	5,11,91,065	5,119.11	5,11,91,065	5,119.11
Changes during the year	-	-	-	-
At the end	<u>5,11,91,065</u>	<u>5,119.11</u>	<u>5,11,91,065</u>	<u>5,119.11</u>
b. Preference Shares, of ₹ 100 par value				
At the beginning	6,87,595	687.60	6,87,595	687.60
Changes during the year	-	-	-	-
At the end	<u>6,87,595</u>	<u>687.60</u>	<u>6,87,595</u>	<u>687.60</u>

**RIGHTS, PREFERENCES AND RESTRICTIONS**

**a. Equity Shares**

- The Holding Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, in view of the carried forward losses, no dividend is / was declared on the equity shares for the year ended March 31, 2013 / March 31, 2012.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

**b. Preference Shares :**

- The Holding Company has only one class of preference shares referred to as 13% Optionally Convertible Cumulative Preference Shares (OCCPS) having a par value of ₹100. The preference shares do not carry any voting right. In terms of Section 87 of the Companies Act, 1956, the holders of cumulative preference shares get entitled to vote on every resolution placed by the Holding Company at any meeting, if the dividend due on such shares or any part thereof has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.

- ii. OCCPS carried a fixed cumulative dividend of 13% per annum from the date of issue. The holders of OCCPS carry a right to dividend ahead of equity share holders.
- iii. In the event of liquidation, the holders of OCCPS carry preference over equity shareholders in respect of repayment of capital.
- iv. OCCPS were redeemable at par on March 31, 2003. Of the total Preference Share Capital of ₹ 687.60 lacs, the holders of 1,74,557 OCCPS of ₹ 100 par value, aggregating to ₹ 174.56 lacs, have surrendered their right in the redemption, including the preference dividend thereon for the benefit of the Holding Company. Based on the advise received, pending the availability of funds / distributable profits for the redemption of capital, the beneficial ownership of these OCCPS has already been transferred in favour of a trust of which the Holding Company is the beneficiary. The accounting effect of such waiver (only in respect of these OCCPS) shall be made as and when such shares will be redeemed. For the balance of OCCPS, the right of conversion lapsed on August 22, 2003.

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

	As at March 31, 2013		As at March 31, 2012	
	Numbers	%	Numbers	%
a. Equity Shares				
Clarence Investments Limited	1,28,86,599	25.17%	1,28,86,599	25.17%
Jagmi Investments Limited	51,75,000	10.11%	51,75,000	10.11%
Mauritius Debt Management Limited	74,50,000	14.55%	74,50,000	14.55%
Sampson Limited	40,00,000	7.81%	40,00,000	7.81%
TransAsia Investments And Trading Limited	80,00,000	15.63%	80,00,000	15.63%
b. Preference Shares				
India Debt Management Private Limited	5,12,398	74.52%	5,12,398	74.52%
A.M.Fadia - Trustee of SCL Preference Shares Trust [Refer Note 2 (b) (iv) above]	1,74,557	25.39%	1,74,557	25.39%

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b> - As per last Consolidated Balance Sheet	2,614.72	2,614.72
<b>Capital Redemption Reserve</b> - As per last Consolidated Balance Sheet	50.00	50.00
<b>Securities Premium Account</b> - As per last Consolidated Balance Sheet	10,566.71	10,566.71
<b>Debenture Redemption Reserve</b> - As per last Consolidated Balance Sheet	2,060.00	2,060.00
<b>Revaluation Reserve</b>		
As at the beginning of the year	330.56	552.15
(Less): Transferred to the Consolidated Statement of Profit and Loss for Depreciation	(55.32)	(220.88)
(Less): For Fixed Assets sold	-	(0.71)
As at the end of the year	275.24	330.56
<b>General Reserve</b> - As per last Consolidated Balance Sheet	4,377.97	4,377.97
<b>Surplus / (Deficit)</b>		
<b>Debit balance in the Consolidated Statement of Profit and Loss</b>		
As at the beginning of the year	(29,331.91)	(27,283.33)
Add: Transferred from the Consolidated Statement of Profit and Loss	18,371.73	(2,048.58)
As at the end of the year	(10,960.18)	(29,331.91)
	<b>8,984.46</b>	<b>(9,331.95)</b>

As at  
**March 31, 2013**      As at  
March 31, 2012  
₹ in lacs                      ₹ in lacs

**4 Long-term Borrowings**

Secured

**Debentures**

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

Numbers	Particulars	Face Value ₹ per Debenture			
		Current	Previous		
17,85,286	12% Public	45.00	63.75		
9,80,246	12% Public	45.00	63.75		
2,59,150	12% Public	90.00	127.50		
1,48,905	12% Public	90.00	127.50		
9,00,000	12% Private	45.00	63.75	1,120.41	2,016.74
<b>Term Loans</b>					
	From Banks			1,736.52	2,716.61
	From Others			<u>8,589.54</u>	<u>5,532.68</u>
				<b>10,326.06</b>	<b>8,249.29</b>
				<u><b>11,446.47</b></u>	<u><b>10,266.03</b></u>

Notes:

- A. The above reflect non-current portion only of the related borrowings and for the current portion (including due to default as on March 31, 2012) thereof. (Refer Note 9 on "Other Current Liabilities")

- B. Period and amount of continuing default in repayment of above loans (reflected in Note 9 on "Other Current Liabilities", being current in nature) as at March 31, 2012; however, there is no default as at March 31, 2013.  
(Due from dates are given from the first outstanding)

Principal amounts

Public Debentures	14/Oct/11	172.77
Term Loans from Others	14/Jan/11	486.04
Term Loans from Others	15/Jul/10	<u>10,036.48</u>
		<u>10,695.29</u>

Interest amounts

Public Debentures	15/Nov/11	102.03
Term Loans from Others	15/Oct/10	424.52
Term Loans from Others	16/Jul/10	<u>3,971.22</u>
		<u>4,497.77</u>

Principal and interest amounts due and remaining unpaid

- i. The default arose from the date for quarterly instalments for borrowings under CDR. However, the amounts indicated are the aggregate amount of default existed on the Balance Sheet date.
- ii. The right to convert the defaulted amounts into equity shares [as referred to in D (v) below] was not exercised, by the lenders.
- iii. The amounts of loans not under CDR, which remained unpaid were shown under default as on March 31, 2012, have subsequently been restructured by BIFR Order of March 14, 2013. Since such loans are no longer under default the same are reflected as per the revised terms as per BIFR Order of aforesaid date.

## C Security and Repayment Terms:

	As at March 31, 2013		As at March 31, 2012	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
<b>I. Breakup of borrowings:</b>				
a. Public Debentures, together with interest, remuneration to trustees, other amounts payable thereon and funded interest thereon.	1,987.78	968.41	1,611.74	844.33
b. Private Debentures, together with interest, remuneration to trustees, other amounts payable thereon.	225.00	180.00	405.00	168.75
c. Term Loans from Banks - Under CDR	1,722.52	779.19	2,661.54	745.81
d. Term Loans from Banks - Others	14.00	41.08	55.07	57.02
e. Term Loans from Others-Financial Institutions Under CDR	924.84	382.62	1,542.46	222.92
f. Term Loans from Others - Under CDR	1,599.87	794.88	3,990.22	486.04
g. Term Loans from Others - Vehicle	23.45	10.41	-	1.61
h. Term Loans from Others - Others	4,949.01	2,540.06	-	10,111.45
i. Hire Purchase Principal	-	-	-	17.74
	<u>11,446.47</u>	<u>5,696.65</u>	<u>10,266.03</u>	<u>12,655.67</u>

### II. Security:

- a. Borrowings at part I (a) above is secured by way of pari-passu second mortgage in favour of the Trustees on the Holding Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific and first charge holders. The said debentures are also secured by personal guarantee of two Directors of the Holding Company.
- b. Borrowing at part I (b) (c) (e) (f) and (h) above are secured by way of pari-passu first mortgage in favour of the Trustees / lenders on the Holding Company's immovable and movable properties, both, present and future, situated at Ranavav (Gujarat), save and except on stocks, spares and book debts for securing borrowings for working capital (on which they have a second charge) and on the equipment / movable assets secured by specific charge of such other lenders financing them and shall rank subservient to existing charges created / to be created in favour of specific charge holders. These borrowings [except I (h)] are also secured by personal guarantee of two Directors of the Holding Company.
- c. Borrowings at part I (d) and (g) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed thereunder and are further secured by personal guarantee / co borrowed by one of the directors of the Holding Company.
- d. Borrowings at part I (i) is repayable in 60 equated monthly instalments carrying interest @ 11% p.a., and is secured by hypothecation of assets financed by them and personal guarantee by one of the directors of the Holding Company.
- e. All the aforementioned borrowings except part I (d), (g) and (i) are further secured by hypothecation of 'Hathi' brand on pari-passu first charge basis and pledge of promoter shares in favour of the Trustees.

### III. Repayment Terms:

- a. For Part I (a), (b), (c), (e) and (f), interest is payable by the Holding Company on ballooning basis ranging from 2% p.a. to 12% p.a. resulting into an average rate of interest of 8.5% per annum. For the current year, such interest is payable and provided at 12% per annum. The first year interest @ 2% has been funded as Funded Interest Term Loan (FITL-II). The repayment of outstanding principal is to be made over a period of 10 years including the initial moratorium of first three years. (i.e. payable from July 14, 2007 till April 14, 2015 on the 14th date after the end of each calendar quarter on ballooning basis ranging from 7.50% to

- 20% p.a.) 50% of the unpaid simple interest on all the loans was converted into FITL-I. Both, FITL I and II, do not carry interest and are repayable 25% in the 9th and 75% in the 10th year (i.e. payable from July 14, 2013 till April 14, 2015).
- b. The amount outstanding as at March 31, 2012, in respect of Part I (h) is repayable in 12 quarterly instalments of 5% each, commencing from June 30, 2012 and 10% in 4 quarterly instalments of 10% each, commencing from June 30, 2015.
  - c. For Part I (a), (b), (c), (e) and (f);
    - i. The Holding Company has an option to prepay all the loans without premium on pro-rata basis to all the lenders.
    - ii. The restructured loans including FITL are subject to recompense clause as may be approved by CDR Cell.
    - iii. In the event of default in compliance of restructuring package, after the approval of CDR, the lenders have a right to convert 100% of the defaulted amount of the restructured debt into Equity Shares of the Holding Company, at any time during the currency of assistance, at a price to be determined as per SEBI Guidelines.
    - iv. The lenders have the right to convert 20% of the loan outstanding (including FITL and WCTL) into Equity Shares of the Holding Company, at a price to be determined as per SEBI Guidelines in one or more occasions after 7 years from the date of approval. As regards zero coupon FITL, remaining outstanding beyond 7 years, such conversion right of lenders would be applicable to the entire amount and the conversion shall be at a price as per SEBI guidelines.

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposits from Customers	680.87	633.83
Loan from a Director - Unsecured	0.05	0.05
	<u>680.92</u>	<u>633.88</u>

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>6 LONG-TERM PROVISIONS</b>		
For Employee Benefits - gratuity and compensated absences (Refer Note 36)	<u>807.67</u>	<u>725.15</u>
	<u>807.67</u>	<u>725.15</u>

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>7 SHORT-TERM BORROWINGS</b>		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits	131.31	98.61
Others	440.74	441.17
	<u>572.05</u>	<u>539.78</u>

**Security:**

The working capital facilities are secured by first charge by way of hypothecation of the current assets namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. It is also secured by second mortgage and charge on the Holding Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Holding Company. Of the above, a cash credit facility from a bank aggregating to ₹ 11.39 lacs (Previous Year ₹ 11.63 lacs), is further secured by shares of Gujarat Sidhee Cement Limited held by subsidiary companies.



	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>8 TRADE PAYABLES</b>		
Amounts Payable to a Related Party	29.92	28.05
Others	<u>3,612.73</u>	<u>4,299.35</u>
	<u><b>3,642.65</b></u>	<u><b>4,327.40</b></u>
"Others" includes dues to small and medium enterprises, which require the following disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :		
i. Principal amount remaining unpaid and interest thereon	5.84	8.12
ii. Interest paid in terms of Section 16	-	-
iii. Interest due and payable for the period of delay in payment	0.01	0.05
iv. Interest accrued and remaining unpaid	0.01	0.05
v. Interest due and payable even in succeeding years	1.06	1.05

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debt *		
Debentures - 12% Non-convertible	896.33	840.31
Term Loans		
From Banks	820.27	802.83
From Other Parties	3,980.05	299.50
Hire Purchase Principal	<u>-</u>	<u>17.74</u>
	<b>5,696.65</b>	<b>1,960.38</b>
Interest Accrued But Not Due on Borrowings *	90.85	139.49
Interest Accrued and Due on Borrowings *	-	4,497.76
Long-term Debts Due and Remaining Unpaid *		
Debentures - 12% Non-convertible	-	172.77
Term Loans from Other Parties	<u>-</u>	<u>10,522.52</u>
	-	10,695.29
Unencashed Matured Debentures and Interest Accrued Thereon	-	0.79
Unclaimed Share Application Money	14.77	14.77
Statutory Dues	1,463.77	12,080.24
(Refer note below Note 29 regarding restructuring of Statutory Dues)		
Advances from Customers	955.06	967.53
Other Payables - includes Liabilities for Expenses at the year end	<u>2,943.06</u>	<u>1,900.02</u>
	<u><b>11,164.16</b></u>	<u><b>32,256.27</b></u>

\* Refer Note 4 (C) above for security.

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>10 SHORT-TERM PROVISIONS</b>		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 36)	178.48	167.97
For Others	<u>73.25</u>	<u>60.43</u>
	<u><b>251.73</b></u>	<u><b>228.40</b></u>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

		₹ in lacs						
11 Fixed Assets [Refer Note (i)]	Gross Block		Depreciation, Amortisation and Impairment			Net Block		
	As at April 1, 2012	As at Additions Deductions / Adjustments March 31, 2013	As at March 31, 2012	Up to March 31, 2012	For the Year Adjustments March 31, 2013	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Fixed Assets</b>								
Freehold land	239.08	-	239.08	-	-	-	239.08	239.08
Leasehold land	239.08	-	239.08	-	-	-	239.08	239.08
[Refer Note (ii)]	21.45	-	21.45	-	-	-	21.45	21.45
Buildings and Jetty	21.45	-	21.45	-	-	-	21.45	21.45
[Refer Note (iii)]	6,004.78	81.12	6,085.90	3,100.07	265.40	-	2,720.43	2,904.71
[Refer Note (iv), (v)]	5,939.97	64.81	6,004.78	2,799.11	300.96	-	2,904.71	3,140.86
Plant and equipments	45,427.13	466.34	45,413.25	28,051.85	1,714.08	468.30	16,115.62	17,375.28
[Refer Note (iv), (v)]	45,606.76	179.22	45,427.13	26,425.53	1,925.27	298.95	17,375.28	19,181.23
Furniture and Fixtures	1,145.13	26.70	1,165.57	614.92	56.18	4.15	498.62	530.21
[Refer Note (vi)]	1,168.37	6.08	1,145.13	591.18	52.18	28.43	530.20	577.19
Vehicles	1,311.67	321.27	1,480.72	714.52	83.53	62.82	745.49	597.15
[Refer Note (vi)]	1,322.41	140.58	1,311.68	685.96	96.01	67.43	597.14	636.45
Office equipments	433.94	140.79	544.91	253.04	38.17	26.68	280.37	180.90
[Refer Note (vi)]	705.88	61.16	433.93	533.45	28.41	308.80	180.87	172.43
Railway siding, weighbridge, rolling stock and locomotives	281.56	-	281.56	264.58	2.38	-	14.60	16.98
[Refer Note (vi)]	281.56	-	281.56	257.74	6.84	-	16.98	23.82
<b>Current Year</b>	<b>54,864.74</b>	<b>1,036.22</b>	<b>55,232.44</b>	<b>32,998.98</b>	<b>2,159.75</b>	<b>561.95</b>	<b>20,635.66</b>	<b>21,865.71</b>
Previous year	55,285.48	451.85	54,864.74	31,292.92	2,409.67	703.61	21,865.71	-
<b>Intangible Fixed Assets</b>								
Goodwill	95.27	-	95.27	95.27	-	-	-	-
Computer softwares	96.82	2.21	99.03	54.07	11.82	-	33.14	42.75
<b>Current Year</b>	<b>192.09</b>	<b>2.21</b>	<b>194.30</b>	<b>149.34</b>	<b>11.82</b>	<b>-</b>	<b>33.14</b>	<b>42.75</b>
Previous year	232.34	-	192.09	173.62	13.96	38.24	42.75	-
<b>Capital work-in-progress</b>								
<b>Tangible Capital WIP</b>								
[Refer Note (vii), (viii)]								
<b>Current Year</b>	<b>8,384.30</b>	<b>471.37</b>	<b>514.56</b>	<b>656.69</b>	<b>1,326.32</b>	<b>-</b>	<b>6,358.10</b>	<b>7,727.61</b>
Previous year	8,296.93	153.64	66.27	656.69	-	-	7,727.61	-
<b>Intangible Capital WIP</b>								
Computer softwares								
<b>Current Year</b>	<b>-</b>	<b>69.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.75</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-

**Notes:**

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

	<b>As at March 31, 2013 ₹ in lacs</b>	<b>As at March 31, 2012 ₹ in lacs</b>
<b>vii. Accounting of Fixed Assets and Borrowing Costs</b>		
Capital work-in-progress includes pre-operative expenses, as under:		
a. Technical Consultancy	<b>320.40</b>	320.40
b. Employee Cost	<b>144.56</b>	144.56
c. Interest and Finance Cost	<b>3,104.18</b>	3,104.18
d. Traveling and Conveyance	<b>227.48</b>	227.48
e. Exchange Rate Fluctuation	<b>42.43</b>	42.43
f. Transportation Charges	<b>19.96</b>	19.96
g. Miscellaneous	<b>59.97</b>	59.97
	<b>3,918.98</b>	3,918.98

**viii. Impairment of Assets :**

The Holding Company had incurred an aggregate sum of ₹ 7901.66 lacs (Previous Year ₹ 8036.81 lacs) towards Expansion Project Assets, and reflected under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased, civil work carried out and pre-operative expenses (including interest capitalised) as shown in Note 11 (vii) above. However, later on in the year 2005, due to several adversities, the project was suspended. At the year end, based on the assessment of the recoverable amount (net selling price) of the said suspended Project and civil works reflected under CWIP carried out by M/s Shinde Engineering Services, project consultants, updated from earlier assessment carried out by Holtec Consulting Private Limited as at March 31, 2011 a provision for impairment of ₹ 1983.01 lacs, including ₹ 1326.32 lacs, (Previous Year ₹ Nil), was recognised as required under Accounting Standard 28 on "Impairment of Assets".

As at  
**March 31, 2013**    As at  
March 31, 2012  
₹ in lacs                      ₹ in lacs

**12 NON-CURRENT INVESTMENTS**

Long-term Investments - valued at cost less provision for other than temporary diminution Other than Trade

**In Equity Instruments of Subsidiaries**

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

Unquoted

(Fully paid equity shares of ₹ 10 each)

Quantity	Investee company		
1,49,272	Concorde Cement (Pvt.) Limited (Srilankan Rupee)	<u>9.19</u>	<u>9.19</u>
		<u>9.19</u>	<u>9.19</u>

Less: Provision for diminution in value

	<u>9.19</u>	<u>9.19</u>
	<u>(9.19)</u>	<u>(9.19)</u>

**In Equity Instruments of Others**

Quoted

(Fully paid equity shares of ₹ 10 each)

8,70,500	MTZ Industries Limited (under suspension on stock exchange and hence, fully provided for)	<b>435.25</b>	435.25
22,85,912 (91,43,650)	Fully paid up shares of Rs. 10/- each in Gujrat Sidhee Cement Limited	<b>2,666.32</b>	2,666.32
30,00,000	MTZ Polyfilms Limited	<b>600.00</b>	600.00
200 (NIL)	Dena Bank Limited	<b>0.06</b>	-
1	Equity share of Prism Cements Of ₹ 10/- each fully paid *	-	-
1	Equity share of ACC Ltd. Of ₹ 10/- each fully paid	<b>0.01</b>	0.01
1	Equity share of Ambuja Cements Ltd. Of ₹ 10/- each fully paid *	-	-
1	Equity share of India Cements Ltd. Of ₹ 10/- each fully paid *	-	-
1	Equity share of JK Lakshmi Cements Ltd. Of ₹ 10/- each fully paid *	-	-
1	Equity share of Mangalam Cements Ltd. Of ₹ 10/- each fully paid *	-	-
1	Equity share of Shree Digvijay Cements of ₹ 10/- each fully paid*	-	-
1	Equity share of Ultratech Cements Ltd. Of ₹ 10/- each fully paid	<b>0.01</b>	0.01
1	Equity share of Zuari Industries Ltd. Of ₹ 10/- each fully paid *	-	0.01
1 (NIL)	Equity Share of Zuari Agro Chemicals Ltd of ₹ 10/- each fully paid *	-	-
		<u>3,701.65</u>	<u>3,701.60</u>

Less: Provision for diminution in value

	<u>(2,203.73)</u>	<u>(2,203.65)</u>
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**1,497.92**

**1,497.95**

		As at March 31, 2013	As at March 31, 2012
		₹ in lacs	₹ in lacs
* Each Investment is less than ₹ 0.01 lac			
Unquoted			
<b>Quantity</b>	<b>Investee company</b>	<b>Face Value ₹ per share</b>	
10	IL-Palazzo CHS Limited	50	
2,001	Rajkot Nagrik Sahakari Bank Limited	50	
5,000	Saraswat Co-op Bank Limited	10	1.51
		<u>1,499.43</u>	<u>1,499.46</u>
<b>In Government Securities: (At Cost)</b>			
Unquoted			
7 years National savings certificates kept as security with various Government authorities			
		-	0.08
		<u>1,499.43</u>	<u>1,499.54</u>
		<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
		<b>₹ in lacs</b>	<b>₹ in lacs</b>
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>
			<b>Market Value</b>
Aggregate amount of quoted investments	<b>3,701.65</b>	<b>52.19</b>	3,701.60
Aggregate amount of unquoted investments	<b>10.70</b>	-	10.78
	<u><b>3,712.35</b></u>		<u>3,712.38</u>
Aggregate provision on non current investments	<u><b>2,212.92</b></u>		<u>2,212.84</u>

Aggregate Market Value of quoted investments except for shares of Gujrat Sidhee Cement Limited which remained suspended on Bombay Stock Exchange and National Stock Exchange as on March 31, 2013 due to procedural reasons

### 13 ACCOUNTING FOR TAXES ON INCOME

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

In terms of AS 22, the Holding Company recognised DTA on the basis of prudence only to the extent it would have sufficient future taxable income (by way of reduction in unabsorbed depreciation and / or carried forward business losses) against which the aggregate DTA recognised as on the Balance Sheet date would be realised. The Holding Company also recognized DTA in respect of the unabsorbed depreciation to the extent of deferred tax liability (DTL) for timing difference for depreciation. Accordingly, upto March 31, 2012, DTA of ₹ 3204.68 lacs was recognised.

In view of the profits during the year, to the extent it sets off the unabsorbed depreciation and business losses, DTA of ₹ 3204.68 lacs so recognised, is reversed.

Upto March 31, 2013, the Holding Company has recognised DTA of ₹ 1332.36 lacs, i.e. to the extent of DTL for the timing difference on account of depreciation.

		As at March 31, 2013	As at March 31, 2012
		₹ in lacs	₹ in lacs
<b>Deferred Tax Assets</b>			
i. Accrued expenses deductible on cash basis		-	2,845.51
ii. Accrued expenses deductible on payment of TDS thereon		-	359.17
iii. Unabsorbed depreciation		<b>1,332.36</b>	1,431.59
iv. Accumulated business losses		-	-
v. Closing balance		<u><b>1,332.36</b></u>	<u>4,636.27</u>
<b>Deferred Tax Liabilities</b>			
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 1956		<u><b>1,332.36</b></u>	1,431.59
ii. Closing balance		<u><b>1,332.36</b></u>	1,431.59
<b>Deferred Tax Assets - Net</b>		<u>-</u>	<u>3,204.68</u>

	As at March 31, 2013	As at March 31, 2012
	₹ in lacs	₹ in lacs
<b>14 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured - considered good		
Capital Advances	<b>388.69</b>	380.73
Security Deposits	<b>636.54</b>	555.53
Other Deposits	<b>355.20</b>	355.46
Advances Recoverable in cash or in Kind or for value to be received	<b>12.94</b>	12.59
Unsecured, Considered Doubtful		
Intercompany Deposits	<b>554.76</b>	554.76
Less: Provision for Bad and Doubtful Deposits	<b>(554.76)</b>	(554.76)
	<u>-</u>	<u>-</u>
	<u><b>1,393.37</b></u>	<u>1,304.31</u>

	As at March 31, 2013	As at March 31, 2012
	₹ in lacs	₹ in lacs
<b>15 OTHER NON-CURRENT ASSETS</b>		
Inventories		
Stores and Spare Parts - (Refer Note below)	<b>290.07</b>	338.61
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	<b>193.57</b>	202.73
Less: Provision for Bad and Doubtful Debts	<b>(193.57)</b>	(202.73)
	<u>-</u>	<u>-</u>
Deposits with Banks		
Maturity beyond 12 months from the Balance Sheet Date		
Held as Margin Money	<b>190.34</b>	84.29
	<u><b>480.41</b></u>	<u>422.90</u>

Note:

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

	As at March 31, 2013	As at March 31, 2012
	₹ in lacs	₹ in lacs
<b>16 INVENTORIES</b>		
Raw Materials	<b>1,138.36</b>	410.87
Packing Materials	<b>147.06</b>	74.26
Work-in-progress	<b>861.09</b>	673.24
Finished Goods	<b>698.58</b>	874.41
Fuels	<b>2,027.92</b>	2,016.40
Stores and Spare Parts	<b>1,793.41</b>	1,397.11
	<u><b>6,666.42</b></u>	<u>5,446.29</u>

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>17 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	<b>376.35</b>	464.89
Others	<u><b>1,030.88</b></u>	<u>1,354.34</u>
	<u><b>1,407.23</b></u>	<u>1,819.23</u>
<hr/>		
	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>18 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	<b>277.26</b>	432.61
Fixed Deposits (maturity of less than 3 months)	<b>1,800.00</b>	-
Cash on Hand	<u><b>4.84</b></u>	<u>2.81</u>
	<b>2,082.10</b>	435.42
Deposits with Banks (Maturity below 12 months from the Consolidated Balance Sheet Date)		
Earmarked Balances with Banks	<b>0.43</b>	0.43
Held as Margin Money	<b>38.23</b>	152.79
Others	<u><b>1,300.00</b></u>	<u>-</u>
	<u><b>1,338.66</b></u>	<u>153.22</u>
	<u><b>3,420.76</b></u>	<u>588.64</u>
<hr/>		
	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Other Loans and Advances		
Advances Recoverable in cash or in Kind or for value to be received	<b>580.42</b>	579.78
Advances Against Purchase of Stores	<b>323.70</b>	718.95
Taxes Paid (Net of Provision of ₹ 33.28 lacs, Previous year ₹ Nil)	<u><b>178.50</b></u>	<u>169.94</u>
	<u><b>1,082.62</b></u>	<u>1,468.67</u>
<hr/>		
	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>20 OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
Export Benefits Receivable	<b>57.88</b>	39.42
Interest Receivable	<u><b>252.36</b></u>	<u>22.26</u>
	<u><b>310.24</b></u>	<u>61.68</u>

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of Products		
Manufactured Goods	<b>56,082.97</b>	45,859.85
Traded Goods	<u><b>2,939.66</b></u>	<u>1,598.82</u>
	<b>59,022.63</b>	47,458.67
Sale of Services	<b>241.90</b>	135.93
Other Operating Revenues		
Sale of Power	<b>333.34</b>	361.84
Sale of Other Products / Scrap	<b>241.21</b>	173.82
Export Entitlements	<u><b>118.42</b></u>	<u>149.95</u>
	<b>692.97</b>	685.61
	<b>59,957.50</b>	48,280.21
Less: Excise Duty	<u><b>(5,924.55)</b></u>	<u>(4,282.49)</u>
	<u><b>54,032.95</b></u>	<u>43,997.72</u>
<b>Details of Products Sold</b>		
Sale of Manufactured Goods		
Cement	<b>55,230.74</b>	45,814.37
Clinker	<u><b>852.23</b></u>	<u>45.49</u>
	<u><b>56,082.97</b></u>	<u>45,859.86</u>
Sale of Traded Goods		
Cement	<b>2,939.66</b>	1,239.78
Clinker	<u><b>-</b></u>	<u>359.04</u>
	<u><b>2,939.66</b></u>	<u>1,598.82</u>

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs
<b>22 OTHER INCOME</b>		
Interest Income on		
- Fixed Deposits with Banks	<b>139.51</b>	52.01
- Fixed deposits with a State Financial Corporation	<b>215.63</b>	-
- Others	<u><b>15.65</b></u>	<u>17.41</u>
	<b>370.79</b>	69.42
Dividends Income from Long-term Investments - others	<b>0.31</b>	0.30
Miscellaneous Income (including overheads shared)	<b>56.60</b>	46.46
Insurance Claims	<b>241.92</b>	81.42
Profit on Sale of Fixed Assets	<b>63.17</b>	57.50
Bad Debts Recovered	<b>4.30</b>	4.53
Provision for Doubtful Debts no longer required	<b>0.58</b>	18.71
Excess Provision Written Back	<b>204.79</b>	168.79
Trade Payables Written Back	<u><b>85.44</b></u>	<u>80.45</u>
	<u><b>1,027.90</b></u>	<u>527.58</u>



	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>23 COST OF MATERIALS CONSUMED</b>		
Raw Materials		
Opening Stock of Raw Materials	<b>410.87</b>	335.63
Add: Purchases	<b>2,644.62</b>	1,956.06
Less: Closing Stock of Raw Materials	<b><u>(1,138.36)</u></b>	<u>(410.87)</u>
	<b>1,917.13</b>	1,880.82
Packing Materials		
Opening Stock of Packing Materials	<b>74.26</b>	192.72
Add: Purchases	<b>1,651.31</b>	1,163.85
Less: Closing Stock of Packing Materials	<b><u>(147.06)</u></b>	<u>(74.26)</u>
	<b>1,578.51</b>	1,282.31
	<b><u>3,495.64</u></b>	<u>3,163.13</u>
Details of Raw Materials Consumed		
Gypsum	<b>647.52</b>	621.52
Fly Ash	<b>796.61</b>	631.18
Clinker Purchased	<b>-</b>	210.94
Iron Ore	<b>255.62</b>	156.64
Others	<b><u>217.38</u></b>	<u>260.54</u>
	<b><u>1,917.13</u></b>	<u>1,880.82</u>

	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>24 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Traded Goods		
Cement	<b>2,939.66</b>	1,239.78
Clinker, Coal and Pet Coke	<b>-</b>	370.56
	<b><u>2,939.66</u></b>	<u>1,610.34</u>

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Stocks at the end		
Finished Goods - Cement	<b>698.58</b>	874.41
Work-in-progress - Raw Flour and Clinker	<b>861.09</b>	673.24
	<b>1,559.67</b>	1,547.65
Less: Stocks at the Beginning		
Finished Goods - Cement	<b>874.41</b>	1,125.16
Work-in-progress - Raw Flour and Clinker	<b>673.24</b>	643.51
Stock-in-trade - Cement	<b>-</b>	30.89
	<b>1,547.65</b>	1,799.56
	<b>(12.02)</b>	251.91
Increase / (Decrease) in Excise Duty on Stocks	<b>11.31</b>	(1.12)
	<b>(0.71)</b>	250.79

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
(Refer note to Note 28)		
Salaries, Wages and Bonus	<b>2,350.21</b>	2,140.51
Contribution to Provident and other Funds	<b>220.34</b>	204.01
Gratuity Expense	<b>142.39</b>	87.98
Staff Welfare Expenses	<b>105.90</b>	58.70
	<b>2,818.84</b>	2,491.20

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs
<b>27 FINANCE COSTS</b>		
Interest expense		
On Borrowings	<b>2,116.47</b>	3,309.67
On Others (including on rent arrears ₹ 628.52 lacs based (Previous Year ₹ NIL) on the Supreme Court order)	<b>1,216.54</b>	1,139.21
	<b>3,333.01</b>	4,448.88
Other Borrowing Costs	<b>5.26</b>	21.02
	<b>3,338.27</b>	4,469.90

	For the Year ended March 31, 2013 ₹ in lacs	For the Year ended March 31, 2012 ₹ in lacs
<b>28 OTHER EXPENSES</b>		
Stores and Spare Parts Consumed	3,433.68	3,111.62
Power and Fuel	15,082.55	15,928.37
Rent (including arrears ₹ 383.24 lacs (Previous Year ₹ NIL) based on the Supreme Court order)	528.26	230.49
Repairs and Maintenance:		
Buildings, etc.	229.68	67.89
Machinery	1,377.03	1,341.88
Others	355.49	254.05
	1,962.20	1,663.82
Insurance	120.99	133.65
Rates and Taxes	31.76	33.45
Raw Material Handling Charges [Refer Note (a) below]	386.67	334.98
Limestone / Marl Raising Charges [Refer Note (a) below]	665.71	752.19
Royalty and Cess [Refer Note (a) below]	897.45	798.53
Advertisement, Business Promotional and Service Charges	1,308.28	511.97
Freight and Handling Expenses	6,928.30	7,006.27
Commission	700.56	460.55
Directors' Fees	12.60	12.20
Charity and Donation	1.00	1.00
Traveling and Conveyance	190.11	186.44
Legal and Professional Charges	228.16	221.39
Net Loss on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	124.03	87.99
Auditor's Remuneration		
Audit Fees	7.33	7.36
Tax Audit Fees	2.65	2.65
For Other Services - Certification Work	5.30	2.85
Reimbursement of Expenses	0.30	0.47
	15.58	13.33
Provision for Doubtful Debts	11.06	-
Bad Debts Written Off	19.64	80.09
Less: Provision for Doubtful Debts Written Back	(19.64)	(80.09)
	-	-
Loss on Sale of Assets	42.32	40.43
Assets Discarded / Written Off	0.67	57.99
Miscellaneous Expenses	917.70	805.30
Cost of Cement Self Consumed [Refer Note (b) below]	(24.18)	(6.17)
	33,565.46	32,385.79

**Notes:**

- a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) include expenses incurred on cost of raising and transporting limestone / marl, which are part of the raw materials, details of which are as under:
- |                                      |          |          |
|--------------------------------------|----------|----------|
| Salaries, Wages and Bonus            | 90.63    | 54.69    |
| Stores and Spare Parts Consumed      | 228.86   | 195.46   |
| Repairs and Maintenance to Machinery | 24.36    | 20.33    |
| Raw Material Handling Charges        | 227.10   | 206.69   |
| Limestone / Marl Raising Charges     | 665.25   | 752.19   |
| Royalty and Cess                     | 887.39   | 789.09   |
|                                      | 2,123.59 | 2,018.45 |
- b. Cost of cement self consumed also includes other non material raw materials costs and depreciation.

	<b>For the Year ended March 31, 2013</b>	For the Year ended March 31, 2012
	<b>₹ in lacs</b>	₹ in lacs
<b>29 EXCEPTIONAL GAIN / (LOSS)</b>		
Write Backs on One Time Settlement (OTS) with Government of Gujarat (GoG) [Refer Note (a) below]	<b>12,007.27</b>	-
Interest Income on GSFS Deposit	<b>2,693.18</b>	-
Interest Write Back on Long Term Debt [Refer Note (b) below]	<b>1,414.84</b>	-
	<b><u>16,115.29</u></b>	<u>-</u>

**Notes:**

- a. The Holding Company had applied to the Government of Gujarat (GOG) for One Time Settlement (OTS) of the outstanding dues as per Option II of the Government Resolution for OTS applicable to sick units under BIFR. The GOG, vide its Letter Ref IC/IM/BIFR/9351275/699695 dated May 17, 2012 conveyed approval of the OTS proposal as approved by the High Power Committee of GOG (HPC), which inter-alia envisaged remission of entire amount of interest, penal interest and penalty on payment of principal amount as detailed hereinbelow.

- i. 10% of amount payable as down payment, payable within 30 days of the sanction letter.
- ii. Balance 90% along with 9% simple interest on the outstanding amount to be paid in 17 equal monthly instalments.

The Holding Company has executed the necessary documentation for the OTS. The GOG, vide Letter Ref PRCH-102010-151783-GSFS-367-P dated July 30, 2012 directed Gujarat State Financial Services Limited (GSFS) to place ₹ 5200 lacs in Liquid Deposit Scheme for payment in Escrow account with Gujarat Industrial Development Corporation Limited, such that the monthly instalments (including interest) can be paid out of the same on due dates. The balance amount out of ₹ 4493.19 lacs has been refunded to the Holding Company, alongwith interest on the deposit of ₹ 7000 lacs kept by the company with GSFS.

- b. The Holding Company was registered as a sick Holding Company with Board for Industrial and Financial Reconstruction (BIFR) in September 2006. Based on the recommendations of the Operating Agency, M/s IFCL Limited (OA), a Draft Rehabilitation Scheme (DRS) was circulated by the Hon'ble BIFR. After hearing the views of all concerned, the Hon'ble BIFR passed an Order on June 1, 2012 sanctioning the Rehabilitation Scheme of the Holding Company and directed the OA to submit the updated DRS incorporating their directions. The OA has since submitted the said updated DRS. Hon'ble BIFR, at the hearing held on March 14, 2013 directed release of the write-up of the Sanctioned Scheme. The Sanctioned Scheme envisages the following;

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

- c. It has been decided not to provide for losses of subsidiaries, which was hitherto provided. Had the same been provided, the exceptional loss in aggregate for the year and the carried forward deficit for the year would have been higher by ₹ 137.44 lacs.

- 30** In view of the carried forward losses and unabsorbed depreciation available the Holding Company is not liable to tax as per the normal provisions of the Income-tax Act, 1961. Further, since the Holding Company is registered under BIFR, though the net worth of the Holding Company is positive as at March 31, 2013, as per the provisions of Minimum Alternate Tax under Section 115JB of the Income-tax Act, 1961, the Holding Company is not liable for tax for the year in which its net worth has turned positive.

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>31 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
i. Contingent liabilities: (to the extent not provided for)		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 388.69 lacs, previous year ₹ 380.73 lacs).	<b>332.79</b>	106.06
b. Matters under disputes / appeals :		
Disputed demand of Income Tax Authorities against Subsidiary Companies	<b>0.46</b>	53.94
Sales Tax liabilities	<b>435.67</b>	671.17
Excise Duty	<b>296.71</b>	174.05
Service Tax	<b>106.16</b>	106.16
Royalty	<b>15.12</b>	66.10
Customs Duty	<b>4.05</b>	625.55
Public Premises (Eviction of unauthorised Occupants) Act, 1971	-	966.05
Road Tax	<b>26.54</b>	26.54
Claims filed by workmen or their union against the Holding Company	<b>373.89</b>	354.52
On account of Power Supply	<b>440.99</b>	440.99
Other demands and claims against the Holding Company not acknowledged as debts	<b>20.55</b>	46.25
c. The operation of a show cause notice dated August 20, 2002 issued by the Jute Commissioner, stipulating the Holding Company to fulfill the obligation of packing a minimum of 50% of cement in jute bags from March 15, 1995 or pay penalty under Section 3 (1) of the Jute Packing Materials (Compulsory use in Packing Commodities) Act, 1987 is presently stayed by Calcutta High Court, the amount of which is not ascertainable.		
d. The amounts stated are including interest and penalty, to the extent demanded.		
ii. Commitments:		
<p>The Holding Company has guaranteed a minimum cargo handling of 500,000 M.T from April to March each year at its jetty at Porbander, under the license agreement entered with Gujarat Maritime Board for a period of 15 years from the day Jetty became operational. The failure of such commitment shall make the Holding Company liable to pay the wharfage charges for the remaining cargo at the prevailing wharfage rates. During the year (as also in the previous year) the Holding Company has handled cargo in excess of the minimum requirement.</p>		
<b>32</b>	<p>The accumulated arrears of preference dividend unprovided for the period from November 2000 till the Consolidated Balance Sheet date amounted to ₹ 1103.91 lacs (Previous year ₹ 1014.52 lacs), including ₹ 89.39 lacs, (Previous year ₹ 89.39 lacs) for the year.</p>	

**33** The Holding Company is registered as a sick Industrial Company with the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR, vide its order dated June 1, 2012 has formulated and circulated a Sanctioned Rehabilitation Scheme (SS-12) for revival of the Holding Company, inter-alia providing relief and concessions from various agencies including reduction / waivers of interest (including default interest, penal interest and penalties). The scheme as approved is presently under operation. Based on overall growth in the cement Industry barring any unforeseen circumstances, the continuation of sanctioned Corporate Debt Restructuring (CDR) Scheme and with One Time Settlement of GoG, the accounts of the Holding Company are prepared on a going concern basis.

**34** Expenses on maintenance, etc. incurred during the year for a guest house at Mumbai amounting to ₹ 5.99 lacs (Previous year ₹ 5.38 lacs) have been presently borne by the Holding Company. The guesthouse was under the unauthorised occupation of relatives of the ex-chairman. The Holding Company had filed a suit for recovery of the possession of the guesthouse, which also includes recovery of expenses incurred. The said suit was decided against the Holding Company by declaring legal heirs of the ex-chairman as tenants. The Holding Company has preferred an appeal before the Division Bench against the said order, which is pending.

	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>35 ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		
i. Value of imports calculated on CIF basis		
a. Components and Spare Parts	<b>494.11</b>	304.88
b. Capital Goods	<b>25.55</b>	-
ii. Expenditure in Foreign Currency		
a. Traveling Expenses	<b>7.26</b>	16.15
b. Commission on Exports	-	15.76
c. Sea Freight and Demurrage	<b>7.93</b>	55.81
d. Professional Fees	<b>1.09</b>	19.52
e. License / Registration of Trade Mark Fees	<b>13.74</b>	17.23
f. Others	<b>5.01</b>	0.58
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>%</b>	<b>%</b>
iii. Value of Imported / Indigenous Consumption		
Raw Materials - Indigenous	<u>4,040.72</u>	<u>100.00%</u>
Spare Parts and Components		
a. Imported	<b>387.81</b>	<b>6.89%</b>
b. Indigenous *	<u>5,239.17</u>	<u>93.11%</u>
	<u>5,626.98</u>	<u>100.00%</u>
* Includes amounts directly debited to various account heads		
iv. Earnings in Foreign Currency		
a. Exports on FOB basis	<b>9,484.81</b>	8,059.09
b. Despatch money on Export of Goods	<b>32.45</b>	1.45

	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs	As at March 31, 2013 ₹ in lacs	As at March 31, 2012 ₹ in lacs
<b>36 EMPLOYEE BENEFITS</b>				
<b>i. Changes in Present Value of Obligations:</b>				
Present Value of Obligation at the beginning	244.12	208.23	648.22	625.51
Current Service Cost	14.39	25.63	29.47	3.86
Interest Cost	20.75	16.66	55.10	46.91
Actuarial (Gain) / Loss on obligations	39.66	45.29	57.46	22.64
Benefits paid	(42.88)	(51.70)	(76.25)	(50.70)
Present value of Obligation as at the end	<u>276.04</u>	<u>244.11</u>	<u>714.00</u>	<u>648.22</u>
<b>ii. Changes in Fair Value of Plan Assets :</b>				
Fair value of Plan Assets at the beginning		Not Applicable	3.92	0.58
Expected return on Plan Assets		Not Applicable	0.33	0.04
Contributions		Not Applicable	76.00	61.50
Benefits paid		Not Applicable	(76.25)	(50.70)
Actuarial Gain / (Loss) on Plan Assets		Not Applicable	(0.11)	(7.51)
Fair value of Plan Assets as at the end		Not Applicable	<u>3.89</u>	<u>3.91</u>
<b>iii. The amount recognised in Consolidated Balance Sheet</b>				
Gross value of present Obligation at the end	276.04	244.12	713.99	648.22
Fair Value of Plan Assets at the end	-	-	3.88	3.92
Net (Liability) recognised in Consolidated Balance sheet	<u>276.04</u>	<u>244.12</u>	<u>710.11</u>	<u>644.30</u>
<b>iv. Amount recognised in the Consolidated Statement of Profit and Loss</b>				
Current Service Cost	14.39	25.63	29.47	3.86
Interest Cost	20.75	16.66	55.10	46.91
Expected return on Plan Assets	-	-	(0.33)	(0.04)
Net actuarial (gain)/loss recognised in the year	39.66	45.29	57.57	30.14
Expenses Recognised in the Consolidated Statement of Profit and Loss	<u>74.80</u>	<u>87.58</u>	<u>141.81</u>	<u>80.87</u>
<b>v. Category of Assets</b>				
Insurer managed funds	<u>Not applicable</u>		3.88	3.91
<b>Total</b>			<u>3.88</u>	<u>3.91</u>
<b>vi. Assumptions</b>				
Mortality Table	<b>Indian Assured Life Mortality 2006-08</b>	LIC 1994-96	<b>Indian Assured Life Mortality 2006-08</b>	LIC 1994-96
Discount Rate	8.00%	8.50%	8.00%	8.50%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets		Not Applicable	8.50%	8.00%
Attrition Rate	2.00%	2.00%	2.00%	2.00%
vi. 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.				
The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical results of the return on plan assets.				

Particulars	(₹ in lacs)	
	2013	2012
Experience adjustment		
On plan liability (gain)/loss	38.19	(146.79)
On plan asset gain	(0.11)	(7.51)
Present value of benefit obligation	713.99	648.22
Fair value of plan assets	3.88	3.91
Excess of obligation over plan assets (net)	710.11	644.30

	As at March 31, 2013	As at March 31, 2012
	₹ in lacs	₹ in lacs

### 37 Segment Reporting

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

Domestic revenues (net of excise duty)	43,613.27	35,117.09
Exports - International markets	9,484.81	8,059.09
Total	<u>53,098.08</u>	<u>43,176.18</u>

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

### 38 RELATED PARTY DISCLOSURES

#### List of related parties:

- i. Enterprises under control, or are controlled by, or under common control, with the Holding Company are:
  - a. Jagmi Investment Limited
  - b. Fawn Trading Co. Pvt. Limited
  - c. Fern Trading Co. Pvt. Limited
  - d. Willow Trading Co. Pvt. Limited
  - e. Tejashree Trading Co. Pvt. Limited
  - f. Pallor Trading Co. Pvt. Limited
  - g. The Mehta International Limited
  - h. Mehta Private Limited
  - i. Sameta Exports Pvt. Limited
  - j. Glenn Investments Limited
  - k. Sunnidhi Trading Private Limited
  - l. Sumaraj Holdings Private Limited
  - m. Clarence Investments Limited
  - n. TransAsia Investment & Trading Limited
  - o. Hopgood Investments Limited
  - p. Sampson Limited
  - q. Villa Trading Co. Pvt. Ltd.
  - r. Aber Investments Limited
  - s. Galaxy Technologies Private Limited
  - t. Mehta Sports Private Limited
  - u. The Sea Island Investments Limited
- ii. Subsidiary Company :
  - a. Concorde Cement P. Limited
- iii. Key Management Personnel :
  - a. Mr. Jay M Mehta - Executive Vice Chairman
  - b. Mr. M S Gilotra - Managing Director
- iv. Relatives of Key Management Personnel with whom Transactions have taken place:
  - a. Mrs. Narinder Kaur - Wife of Mr. M S Gilotra
  - b. Mr. Amandeep Singh Gilotra - Son of Mr. M S Gilotra
  - c. Mr. Mahendra N Mehta - Father of Mr Jay M Mehta
- v. Enterprise having Key Management Personnel in common:
  - a. Gujarat Sidhee Cement Limited

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
	₹ in lacs	₹ in lacs

#### TRANSACTIONS WITH RELATED PARTIES:

i. Payments to Key Managerial Personnel:		
a. Remuneration to Mr. Jay M Mehta	36.58	36.58
b. Remuneration to Mr. M S Gilotra	120.05	67.78
ii. Payments to relatives of Key Managerial Personnel:		
a. Security Deposit to Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
b. Rent to Mrs. Narinder Kaur	1.20	1.20
c. Directors sitting fees to Mr. Mahendra N Mehta	0.20	0.40



	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
iii. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of Goods and materials	<b>2,948.45</b>	1,912.20
b. Sale of Goods and materials	<b>201.91</b>	83.90
c. Expenses / (Recovery) for services (net)	<b>(34.14)</b>	2.05
d. Amount payable as at the end of the year	<b>29.92</b>	28.05

	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>39 Outstanding Lease Disclosures</b>		
Cost of machinery acquired under finance leases	<b>206.69</b>	206.69
Net carrying amount at the Consolidated Balance Sheet date	<b>98.54</b>	121.91
Lease rent payable obligation:		
not later than one year;	-	17.74
later than one year and not later than five years;	-	-
later than five years;	-	-

	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>40 Earnings Per Share</b>		
Weighted average number of equity shares of ₹ 10 each	<b>51,191,065</b>	51,191,065
Net Profit / (Loss) for the year	<b>18,371.73</b>	(2,048.58)
Less: Dividend payable to OCCPS holders (Refer Note 2 b)	<b>(89.39)</b>	(89.39)
Net Profit / (Loss) available to equity shareholders	<b>18,282.34</b>	(2,137.97)
Basic and diluted earnings per share (in rupees)	<b>35.71</b>	(4.18)

#### 41 Financial Instruments: Disclosures

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

	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>US Dollars</b>	<b>₹ in lacs</b>	<b>US Dollars</b>	<b>₹ in lacs</b>
a. Debtors Receivable	-	-	559,418	282.62
b. Advances from Customers	<b>39,699</b>	<b>21.69</b>	34,524	17.67
	<b>39,699</b>	<b>21.69</b>	593,942	300.29

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 28, 2013

For and on Behalf of the Board of Directors

**M. N. Mehta**  
**Jay Mehta**  
**Hemang D. Mehta**  
**S. V. S. Raghavan**  
**M. N. Rao**  
**Susheel Kak**  
**Navin Sambtani**  
**Bimal Thakkar**  
**Hemnabh Khatau**  
**Jayant Godbole**  
**B. P. Deshmukh**  
**M. S. Gilotra**  
**V. R. Mohnot**

*Chairman*  
*Executive Vice Chairman*

*Managing Director*  
*Director (F) & Co. Secretary*

Mumbai, Dated May 28, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AS REQUIRED VIDE CIRCULAR NO. 2/2011 DATED 8.2.2011 FROM MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA FOR THE YEAR ENDED 31ST MARCH 2013**

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

Sr. No.	Particulars	Pranay Holdings Ltd.	Prachit Holdings Ltd.	Ria Holdings Ltd.	Reeti Investments Ltd.	Agrima Consultants International Ltd.	*Concorde Cement Pvt. Ltd.
a	Capital	10,00,00,000	10,00,00,000	10,00,00,000	4,00,00,000	40,41,000	9,18,683
b	Reserves and Surplus/Debit Balance of Statement of Profit & Loss	(4,10,44,410)	(4,17,73,748)	(4,12,38,387)	(3,90,00,339)	(1,70,36,860)	-
c	Total Assets	5,95,14,693	5,91,47,944	5,92,81,597	51,18,080	88,99,271	-
d	Total Liabilities	5,95,14,693	5,91,47,944	5,92,81,597	51,18,080	88,99,271	-
e	Investment (Net)	4,76,57,504	4,78,18,771	4,78,17,000	50,42,989	25,000	-
f	Turnover	-	-	-	-	2,44,03,446	-
g	Profit/(Loss) before tax	(18,567)	(15,859)	(1,37,576)	(13,324)	(30,28,508)	-
h	Tax	-	-	-	-	-	-
i	Profit / (Loss) After Tax	(18,567)	(15,859)	(1,37,576)	(13,324)	(30,28,508)	-
j	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	-

Note: \* Yet to commence operation.

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

For and on Behalf of the Board of Directors	
M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
Hemang D. Mehta	
S. V. S. Raghavan	
M. N. Rao	
Susheel Kak	
Navin Sambhani	
Bimal Thakkar	
Hemnabh Khatau	
Jayant Godbole	
B. P. Deshmukh	
M. S. Gilotra	
V. R. Mohnot	Managing Director
Mumbai, Dated May 28, 2013	Director (F) & Co. Secretary

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

1. Name of the Subsidiary	Pranay Holdings Ltd.	Prachit Holdings Ltd.	Ria Holdings Ltd.	Reeti Investments Ltd.	Agrima Consultants International Ltd.	*Concorde Cement Pvt.Ltd.
	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
2. Financial Year of the Subsidiary Company ended on						
3. Holding Company's interest (i) No. of equity shares	1,00,00,000 Equity shares of ₹ 10/- each	1,00,00,000 Equity shares of ₹ 10/- each	1,00,00,000 Equity shares of ₹ 10/- each	40,00,000 Equity shares of ₹ 10/- each	4,04,100 Equity shares of ₹ 10/- each	1,49,274 Equity shares of SLR. 10/- each
4. The net aggregate amount of Subsidiary's (Profit)/Losses so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Accounts	(18,567)	(15,859)	(1,37,576)	(13,324)	(30,28,508)	--
(i) For the Current Financial Year (₹)						
(ii) For the previous financial years since it became a subsidiary (₹)	(4,10,25,843)	(4,17,57,889)	(4,11,00,811)	(3,89,87,015)	(1,40,08,352)	--
5. Net aggregate amount of Profit/Losses of the subsidiary which has been dealt with in the accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil
i) For the Current Financial Year (₹)						
ii) For the Previous Financial Years since it became a subsidiary (₹)	Nil	Nil	Nil	Nil	Nil	Nil
6. Material changes between the end of the financial year of the subsidiaries and that of Saurashtra Cement Limited						
(i) Fixed Assets	-	-	-	-	-	-
(ii) Investments	-	-	-	-	-	-
(iii) Loans and Advances	-	-	-	-	-	-
(iv) Monies borrowed by the subsidiary company other than for meeting current liability	-	-	-	-	-	-
Note: * Yet to commence operation						

For and on Behalf of the Board of Directors

M. N. Mehta	Chairman
Jay Mehta	Executive Vice Chairman
Hemang D. Mehta	
S. V. S. Raghavan	
M. N. Rao	
Susheel Kak	
Navin Sambhani	
Bimal Thakkar	
Hemabh Khatau	
Jayant Godbole	
B. P. Deshmukh	
M. S. Gilotra	
V. R. Mohnot	Managing Director

Mumbai, Dated May 28, 2013  
Director (F) & Co. Secretary



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**FORM OF PROXY**



**SAURASHTRA CEMENT LIMITED**

Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)  
Share Department : N.K. Mehta International House, 178, Backbay Reclamation, Mumbai – 400 020

D. P. Id*	
Client Id*	

L.F. No.	
No. of Shares	

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 55<sup>th</sup> Annual General Meeting of the Company held at the Registered Office of the Company, Near Railway Station, Ranavav 360560 (Gujarat) at **10.00 a.m.** on **Wednesday**, the **31<sup>st</sup> July, 2013** and at any adjournment thereof.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

\* Applicable for investors holding shares in Electronic form.

**NOTES:**

- You are requested to sign and hand over this slip at the entrance to the Meeting Venue.
- If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Tear Here

Tear Here



**SAURASHTRA CEMENT LIMITED**

Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)  
Share Department : N.K. Mehta International House, 178, Backbay Reclamation, Mumbai – 400 020

D. P. Id*	
Client Id*	

L.F. No.	
No. of Shares	

I/We ..... of .....  
in the district of ..... being a Member/Members of Saurashtra Cement Limited hereby  
appoint ..... of .....  
in the district of ..... or failing him.....of  
..... in the district of .....  
as my/our proxy to attend and vote for me/us and on my/our behalf at the 55<sup>th</sup> Annual General Meeting of the Company  
to be held at **10.00 a.m.** on **Wednesday**, the **31<sup>st</sup> July, 2013** and at any adjournment thereof.

Signed this ..... day of ....., 2013

One Rupee  
Revenue  
Stamp

Signature .....

\* Applicable for investors holding shares in Electronic form

BOOK-POST



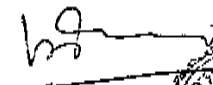
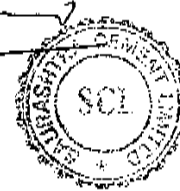
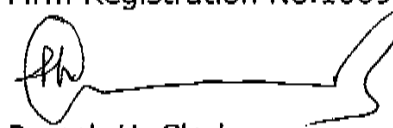
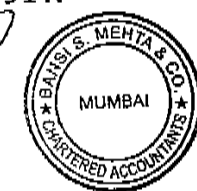
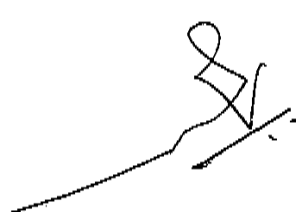
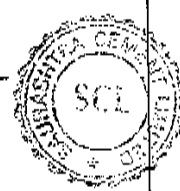
If undelivered please return to:

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

# Saurashtra Cement Limited

## FORM A

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

1.	Name of the Company	Saurashtra Cement Limited.
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit Observation	Nil
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	M. S. Gilotra  
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	V. R. Mohnot  
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	For Bansi S. Mehta & Co. Chartered Accountants Firm Registration No.100991W   Paresh H. Clerk Partner M.No. 36148
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	M. N. Rao  

Dated : 10<sup>th</sup> July 2013



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