



Saurashtra Cement
Limited



59th
**ANNUAL
REPORT**
2016-2017



BOARD OF DIRECTORS

As on 23.05.2017

Mr. M. N. Mehta	Chairman
Mr. Jay M. Mehta	Executive Vice Chairman
Mr. Hemang D. Mehta	
Mr. M. N. Rao	
Mr. S. V. S. Raghavan	
Mr. B. P. Deshmukh	
Mr. K. N. Bhandari	
Mr. Jayant N. Godbole	
Mr. Hemnabh Khatau	
Mr. Bimal Thakkar	
Mr. P. K. Behl	
Mrs. Bhagyam Ramani	
Mr. M. S. Gilotra	Managing Director

Chief Financial Officer

Mr. Rakesh H. Mehta

Vice President (Legal) & Company Secretary

Ms. Sonali Sanas

Bankers

Central Bank of India
Dena Bank
HDFC Bank Ltd.

Auditors

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

Registered Office & Works

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

Corporate Office

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

Registrars & Transfer Agent:

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

Website: www.saurashtracementlimited.com

DIRECTORS' REPORT

Dear Members,

The Directors present the 59th Annual Report, Audited Accounts and Auditors Report for the Financial Year ended on the 31st of March, 2017.

FINANCIAL HIGHLIGHTS

The highlights of the financial results for the Financial year ended 31st of March 2017 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current Financial Year 2016-2017	Previous Financial Year 2015-16	Current Financial Year 2016-2017	Previous Financial Year 2015-16
Revenue from Operation (Net of Excise) and Other Income	4855.14	5425.07	4856.56	5426.27
Profit / (Loss) before Interest, Depreciation, Exceptional items and Tax	333.69	758.37	334.11	758.70
Finance Cost	36.54	48.07	36.54	48.07
Profit/(Loss) before Depreciation, Exceptional Items and Tax	297.15	710.30	297.57	710.63
Depreciation & Impairment	141.70	126.86	141.99	126.92
Profit/(Loss) before Exceptional items and Tax	155.45	583.44	155.58	583.71
Exceptional Items	-	103.70	-	103.70
Tax Expense	34.44	186.87	34.55	186.93
Deferred Tax Adjustment	24.65	62.48	24.65	62.48
Profit/(Loss) after Tax	96.36	437.79	96.38	438.00
Brought forward Profit/(Loss) from earlier years	58.12	(191.03)	38.40	(210.96)
Interim Preference Dividend & Dividend Distribution Tax thereon	-	122.82	-	122.82
Proposed Equity Dividend & Dividend Distribution Tax thereon	-	65.82	-	65.82
Balance of Profit / (Loss) carried to Balance Sheet (Reserves)	154.48	58.12	134.78	38.40

THE YEAR UNDER REVIEW

The year 2016-17 was marked by excess cement capacity in the country, falling demand post demonetization and drop in cement prices during second half of the year. In these challenging conditions, the Company's profitability was also impacted.

The Indian cement industry registered a negative growth rate during the fiscal year 2016-17. The cumulative index of cement production (with a weightage of 2.41 percent in the Index of Industrial Production) during 2016-17 declined by 1.3 percent first time in decade, as compared to 5 percent growth during the previous year.

Consumption growth of cement in our home market Gujarat remained almost stagnant with a marginal increase of around one percent. In spite of a comparatively better monsoon, the cement consumption was adversely affected due to inadequate investments in infrastructural projects and also due to the economic situation on account of demonetization in the second half of the year.

The energy costs were showing an escalation trend on account of increase in the coal and pet coke prices. The taxes by way of royalty on minerals, excise duty, octroi, service tax etc. continued to be high. The lower cement prices in the domestic market and unviable prices in the export markets resulted in lower profitability.



PERFORMANCE REVIEW

Production and Sales

The production of clinker for the year ended March 2017 was 1.298 million tonnes, which is around 1 percent higher than the clinker production of 1.287 million tonnes for the year ended in March 2016. The cement production for the year ended March 2017 was 1.434 million tonnes, which is around 2 percent lower than the cement production of 1.465 million tonnes in the previous year ended in March 2016.

The overall sales (cement and clinker) is 1.433 million tonnes during the year ended March 2017, which is around 4 percent lower than the overall sale of 1.489 million tonnes in the previous year ended March 2016.

Export

The export of cement for the year ended March 2017 was 0.081 million tonnes as compared to 0.237 million tonnes in the previous year. The export market remained less viable with unremunerative prices and specific quality requirements of the customer.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 1 per share on 6,91,91,065 fully paid-up Equity Shares of ₹ 10/- each for the Financial Year ended 31st March 2017.

SHARE CAPITAL

Equity Share Capital

The paid up Equity Share Capital of the Company as on 31st March 2017 including the forfeited shares was ₹ 6919.42 lacs.

INDIAN ACCOUNTING STANDARD (IND AS)

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015.

In pursuance of this notification, the Company will adopt the same with effect from April 01, 2017. The Company has adequate systems in place to migrate to IND AS and to ensure proper reporting and accounting under IND AS.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 136 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 forms a part of the Annual Report.

The Consolidated Net Profits of the Company amounted to ₹ 963.78 lacs for the Financial year ended 31st of March 2017.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has five subsidiaries.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended 31st March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- (b) that the accounting policies as mentioned in Note No.1 to the Financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate of Compliance from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017 forms a part of this Report. A declaration by CEO and CFO that Board and senior members have complied with the Code of Conduct of the Company also forms a part of this Report as **Annexure B**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

CORPORATE SOCIAL RESPONSIBILITY

The Company has been at the forefront in extending benefits to the local communities in and around the Company's operations at Ranavav. The Company has always believed in the sustainable development of the Society.

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

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

During the year under review, your Company has undertaken projects relating to Health care & sanitation, providing good quality education and upliftment of the locals through rural development projects.



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

The details of various CSR activities undertaken during Financial Year 2016-17 is discussed in detail in Management Discussion and Analysis report.

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

LOANS, GUARANTEES AND INVESTMENTS

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

RISK MANAGEMENT

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

Company has a robust risk assessment and management system wherein the risk is identified, minimized, deliberated and mitigated in a timely manner. The risks are periodically reviewed and reported to the Audit Committee and Board on a quarterly basis.

INTERNAL FINANCIAL CONTROLS

The Company has an internal control system commensurate with the size, scale and complexity of its operations. In order to enhance controls and governance standards, the Company has adopted Standard Operating Procedures, which ensure that robust internal financial controls exist in relation to operations, financial reporting and compliance. In addition the Internal Audit function monitors and evaluates the efficiency and adequacy of the internal control system in the Company, its compliance and operating systems, accounting procedures and policies at all locations. Periodical reports on the same are also presented to the Audit Committee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Reappointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemnabh R. Khatau (DIN: 02390064), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Brief resume of Director seeking re-appointment along with other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith as **Annexure E**.

The Board recommends the re appointment.

Board Evaluation

In accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors evaluated the performance of the Board as a whole, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria.

The Board evaluated the effectiveness of its function and that of the committees and individual director by seeking their valuable inputs on various aspects of Board/Committee governance. Based upon various evaluation criteria, the Board and Independent Directors were of the view that the Board and Committee performance is in consonance of the standards / criteria being identified by Nomination & Remuneration Committee and the Independent Directors.

Declaration by Independent directors

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section

149 (6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS

Statutory Auditors

M/s. Bansi S. Mehta & Co, Chartered Accountants, the Statutory Auditors of the Company, who was reappointed to audit the accounts of the Company for the Financial Year 2016-17, hold office upto the conclusion of the ensuing Annual General Meeting and has completed their term of office in accordance with the provisions of Section 139(2) of the Companies Act, 2013.

It is proposed to appoint M/s. Manubhai & Shah LLP, Chartered Accountants as Statutory Auditors of the Company to audit the accounts of the Company for the Financial Year 2017-18 who shall hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting. As required under the provisions of the Companies Act, 2013, the Company has received written confirmation from M/s. Manubhai & Shah LLP, Chartered Accountants that their appointment, if made, will be in conformity with the limits specified in the Section 143(1)(g) of the Companies Act, 2013.

Secretarial Auditors

M/s Ragini Chokshi & Company, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2016-17. The report of the Secretarial Auditor is annexed as **Annexure F** to this report.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s. Ragini Chokshi & Company, Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2017-18.

Tax Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Bansi S. Mehta & Co., Chartered Accountants to carry out the Tax Audit for the Assessment Year 2017-18.

Internal Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Haribhakti & Co LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2017-18.

Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act 2013, on the recommendation of Audit Committee, M/s. V. J. Talati & Co, Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2017-18 and a certificate of eligibility under Section 148 of the Companies Act, 2013 has been received. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to M/s. V. J. Talati & Co., Cost Auditor, is included at item no.5 of the Notice convening the Annual General Meeting.

OTHER DISCLOSURES UNDER COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

Audit Committee

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

Nomination & Remuneration Committee and Policy

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



Vigil Mechanism

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

Number of Board Meetings

During the year under review, five meetings of the Board of Directors were held. The meetings were held on 23rd day of May 2016, 11th day of August 2016, 14th day of September 2016, 24th day of October 2016 and 24th day of January 2017.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

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

Extract of the Annual Return

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

Particulars of Employees

There were 472 permanent employees of the Company as on 31st March 2017. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure I**.

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

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

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

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

Related Party Transactions

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

Other Disclosures:

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

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares to the employees of the Company under any scheme (sweat equity or stock options).
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

- The Managing Directors of the Company do not receive any remuneration or commission from any of its subsidiaries.
- No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- There was no revision in the financial statements.
- There was no change in the nature of business.

GENERAL

Listing of Equity Shares

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid up to 31st March 2018.

Staff Relations

Industrial relations at our Factory and Offices remained cordial.

Awards and accolades

During the year under review, the Company has been conferred with the following awards & accolades.

In the areas of Environment:

In recognition of our outstanding contribution in the field of environment protection, environmental management system, pollution prevention, recycling and consumption of AFR, biodiversity conservation, rain water harvesting and water conservation, energy conservation and corporate social responsibility the following awards have been conferred on the Company.

1. FAME Excellence Award_2016- Platinum Award for Environment Protection
2. Greentech Environment Award_2016-17- Gold Award for Environment Protection
3. Rashtra Vibhusan Award_2016-17- Platinum Award for Environment Protection

In the area of Mines:

Metalliferous Mines Safety Week-2016 organised by Directorate General of Mines & Safety :- The Company bagged First, Second and Third ranks in Health, Safety & occupational health check up, Mine Machinery, improvement, innovation and Mine working & Implementation respectively. The Company also bagged Second and Third rank in Overall performance relating to Vocational Training & Statutory records and Trade Test, First aid drill.

Mines Environment and Mineral Conservation (MEMC) Week-2016 by Directorate General of Mines & Safety: This week long celebration includes various trade tests, competitions, and inspections of mine working, machineries, lighting, publicity propaganda and various other events followed by a Final Day Function.

In this grant event, around 90 mechanized and semi-mechanized mines participated from Gujarat Region. The Company, being an active participating member like every year, also took part in this event and bagged Second rank in Waste Dump Management and Mineral Beneficiation.

Acknowledgement

The Directors thank the 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. The Board also takes this opportunity to express its sincere appreciation of the contribution and dedicated work of all the employees of the Company.

On behalf of the Board of Directors

Place : Mumbai
Dated: 23.05.2017

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Indian economy is witnessing a high performance with the estimated GDP growth of around 7.1 percent for the fiscal year 2016-17. India has emerged as the fastest growing major economy in the world. The improvement in India's economic fundamentals has accelerated with a combined impact of strong government reforms, focus of Reserve Bank of India on inflation control supported by global commodity prices. The growth was however negatively impacted in the last half of the year due to demonetization announced by Government of India.

Cement Sector continues to play a vital role in the economic growth of the country. The major consuming sector for cement continues to be housing which captures around 67 percent of the total cement demand in the country. However, the cumulative index for cement production during the period April 2016 to March 2017 declined by 1.3 percent over the corresponding period of previous year. The benefit of good monsoon in boosting the agrarian and rural economy was partially subdued by the impact of demonetization, resulting in a negative yearly growth rate in cumulative cement production; for the first time in the last decade. Also there was slow pace of execution of infrastructure projects. The cement prices also witnessed decline post demonetization primarily from November 2016 to March 2017.

The Indian cement industry has an installed capacity of around 380 million tonnes and the capacity utilization remained lower at around 70 percent. The cement market in the state of Gujarat remained very fragmented and the margins eroded substantially with the surplus capacity available in the states of Gujarat and Rajasthan. The export volumes remained low due to unremunerative prices.

Future Outlook

The Indian economy is expected to grow further owing to a series of policy measures. The major landmark economic reforms are currently underway, like Goods and Service Tax (GST), transition to transparent and digitalized transactions aiming at cashless society etc. Various schemes as announced in the union budgets like Swatch Bharat Abhiyan, Housing for All, Smart Cities Mission, Freight Corridors, Expressways etc. are expected to boost the demand for cement. Higher outlay and focus on infrastructure, housing and rural development are likely to boost the cement demand in the long term, which in turn will benefit the cement companies. Further, the recent increased allocation to rural low cost housing under Pradhan Mantri Awaas Yojana is likely to increase the cement demand significantly.

The long term future of Indian cement industry is optimistic and positive. However, the lower capacity utilization due to lower consumptions continues to be a challenge and with addition of new plants with large capacities, the competition is becoming more intense. Old plants with less energy efficient process and machinery are likely to experience fierce competition in the market places.

In the state of Gujarat, there is a large surplus capacity over demand, which may affect the stability of cement prices. A large part of production therefore will need to be exported or transported to longer distances, in other states like Maharashtra, Karnataka and Kerala.

Opportunities & Threats

The cement consumption growth in the state of Gujarat is likely return to normal and is expected to give ample opportunities for demand of cement.

The rail freight continued to be high and the transportation by rail using even the nearest rail siding is unviable. The infrastructural constraints and the high cost of handling of cement at public ports is a growing concern. The cost of delivery by road is adversely affected by the frequent changes in the deregulated diesel prices.

The Ministry of Environment, Forest and Climate Change, Government of India has issued a new stringent emission standard for Cement Industry for SO₂, NO_x and particulate matter. The new environmental emission norms have become mandatory from 1st April 2017. As required by the Central Pollution Control Board (CPCB), the Company has submitted its proposal with brief road map and approximate capital expenditure required to meet the revised norms. This will require technical upgradation/ replacement/ addition of pollution control equipment, involving substantial Capex. Besides capital investments, escalation in the operational costs is also expected.

The amended Mines and Minerals (Development and Regulation) Act, 2015 stipulates that leases granted before the commencement of the Act, for captive use are extended upto a period ending on 31st March 2030 or for a further period of 50 years or till the completion of their renewed period, whichever is later. With the new Act, the earlier policy of deemed renewal has been discontinued and all the mining leases will henceforth be allotted through an auction, which has made it difficult to retain existing leases. Forest & Wild life clearances are now a pre-requisite and land acquisition is becoming more challenging and expensive.

Segment Review and Analysis

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

Risks and Concerns

Increase in cost of material, delivery cost, duties and taxes are pushing the cost of production without a corresponding increase in the marketing demand, which will pose a threat to improving the overall scenario in cement sector.

Over capacity of cement versus the demand is resulting in very volatile market conditions and profitability of cement business.

The Indian Cement Industry is becoming intensely competitive, with addition of new entities and existing companies expanding its capacity inorganically. This could potentially impact the sales volumes, market share and profitability.

Internal Control systems and their adequacy

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

Human Resource Development / Industrial Relations

A sound foundation of intellectual capital lies at the core of the stable performance of the Company. The management accords special focus to areas like role clarity, organization development, employee engagement, team work to facilitate a performance driven culture. Your Company continued with efforts to develop leadership lines as well as to enhance technical and functional capabilities with special focus on nurturing young talent, in order to face future challenges. During the year, various training programmes were conducted for development of core skills of employees.

Your Company continues to invest in employee engagement as a tool to create conducive working environment that will facilitate employee commitment. We also have initiated an ongoing dialogue in a structured manner with each employee under "Talk to me" initiative. This will help us aligning Company's objectives and employees' expectations/aspirations.

The Industrial relations at the plant were cordial.

The total number of employees in the rolls of the Company as on 31st March 2017 was 472.

Corporate Social Responsibility

Sustainability and Corporate Social Responsibility have been core values at the SCL since its inception. The Company strives to positively impact the lives of the communities around its areas of operation, minimize impact on the environment and address concerns of communities. Therefore, your Company lays emphasis on understanding the requirements of the local community and embarks on initiatives, investing considerable resources, which create long-term societal benefits.

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

Health and Safety

Health and Safety is one of the primary focus areas for your Company. The Company considers compliance of statutory Health and Safety requirements as the minimum performance standards and is committed to go beyond and adopt higher standards wherever required. To ensure that the safety standards are regularly followed across the facilities, the safety team undertakes periodic review and audits. Mock drills are periodically conducted to check emergency preparedness. The factory has a health care center providing medical aid to the Company's employees and the family members, workers as well as patients from the nearby areas. The Company conducts various



immunization programs, blood donation camp, family welfare education, health care, safety as well as various periodical health checkup and first aid training programs for employees and workers. Your Company continues to contribute towards the Medical Centre and occupational health services.

The Company donated ambulance to Health Department, Ranavav for use of public of surrounding areas.

Education

The Company has been providing primary education for the children of the employees and local community staying in nearby areas. The Company is facilitating the children having difficulty in commuting to Porbandar for studying in English medium schools or Colleges with school bus facility. Your Company also provides extra coaching classes to the under-privileged students near and around Ranavav. The Company has provided educational kits to the needy children in the nearby villages.

Sanitation

The Company is committed to improve sanitation for the communities in the vicinity of the plant. Many people in rural areas do not have proper facility of sanitation. The Company is in co-operation with government of India in Swatch Bharat Abhiyan and resorted to various initiatives in this regard. The Company constructed 112 toilets in the nearby villages benefitting around 600 people.

Reforestation

The Company has been continuously contributing towards environment sustainability. The Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant premises and nearby areas. Your Company has planted more than 3000 trees last year with cumulative over one lac trees in the last decade with survival rate of more than 80 percent. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

Cautionary Statement

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

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

On behalf of the Board of Directors

Place : Mumbai
Dated: 23.05.2017

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is the creation and enhancement of long term sustainable value for all stakeholders through ethical driven business focuses. We adhere to the best corporate governance practices in the industry. The Company's focus on sustainable development, its customer centric approach which ensures product quality and innovative value added service offerings coupled with its outreach through CSR activities and programmes to the communities in and around its area of operations has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and other stakeholders.

The SEBI (Listing Regulations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI (LODR) 2015" are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to 'adopt best practices in Corporate Governance'.

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

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Your Company has complied with the requirements of Corporate Governance as laid down under SEBI (LODR) 2015.

1.1 GOVERNANCE STRUCTURE:

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

(a) Board of Directors:

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

(b) Committees of Board:

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

(c) Executive Management:

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

2. BOARD OF DIRECTORS:

(i) Composition (as on 31.3.2017)

Your Company's Board comprises of 13 (Thirteen) Directors, which include 8 (Eight) Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The composition of the Board as on 31st March 2017 is as under:

Category	No. of Directors
Non-Independent Directors – Non Executive (including Chairman)	3
Independent Directors - Non Executive including a Woman Director	8
Non-Independent & Executive – EVC & MD	2
Total	13

The composition of the Board of Directors is in conformity with the Listing Regulations, 2015.

2.1 PROFILE OF DIRECTORS

The brief profile of each Director is given below:

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

Mr. M. N. Mehta, aged 85 years, is an Industrialist. Mr. Mehta is a Non Resident Indian. He completed his schooling in India and then joined the family business at the age of 19 in East Africa and has over six decades of entrepreneurial experience. He is the motivating force behind the Group. He is also Chairman of Gujarat Sidhee Cement Limited and all subsidiary companies in India.

Initially, he joined the Board of the Company in October 1974 and was reappointed in current term on 15.10.2004.

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

Mr. Jay Mehta, aged 56 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 3 decades of experience in Cement Industry. He is also Executive Vice Chairman of Gujarat Sidhee Cement Limited and Board member of various subsidiary companies, private and public limited companies in India. He is member of CSR Committee and Stakeholders Relationship & Grievances Committee of the Board.

Initially, he joined the Board in December 1987 and was reappointed in current term on 1.1.2016.

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

Mr. Hemang D. Mehta, aged 62 years, has graduated from the University of Manchester Institute of Science & Technology (UMIST) U.K., now referred to as the Manchester Business School. He is an industrialist having over 30 years of Corporate and Operational Management experience in the Cement industry and in Plastics & Packaging. He had worked in various countries like India, Kenya, Canada and USA. He is also a Director of various private companies in India, Canada and USA.

Initially, he joined the Board in April 1993 and was reappointed in current term on 22.8.2016.

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

Mr. Hemnabh R. Khatau, aged 56 years, has graduated with B.A (Electrical Engineering) from Cambridge University, MSc (Microprocessor Engineering) (UMIST) and MSc (Sloan Fellowship Masters Programme, London Business School. He has track record of successful Board level line management in manufacturing and financial services sectors. He has wide experience in developing and implementing successful strategies for growth and improving performance. He has worked in UK for a decade in various positions in the consulting practices of Capgemini UK, KPMG and Indeco IMC. He is also Director of Gujarat Sidhee Cement Limited and on the Board of all subsidiary companies.

He joined the Board in October, 2008 and was reappointed in current term on 23.9.2015.

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

Mr. S. V. S. Raghavan, aged 87 years, is IDAS (Retd). He has been awarded Padmashri by Government of India for his excellent services. He was also given the award of the “First Citizen of India” by the President of India. He was the Chairman of BHEL, MMTC, STC, BBIL and retired in the rank of Secretary of the Ministry of Commerce, Government of India, New Delhi. He is the Member of Audit Committee and Chairman of Nomination & Remuneration Committee of the Board.

Originally, he joined the Board in February 1997 and was reappointed in current term as Independent Director on 30.5.2014.

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

Mr. M. N. Rao, aged 80 years, is a Science Graduate and Mechanical Engineer. He has worked with IDBI and has wide experience in Cement Industry. He is the Chairman of Audit Committee and Member of Nomination & Remuneration Committee of the Board.

Originally, he joined the Board in November, 1984 and was reappointed in current term as Independent Director on 30.5.2014.

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

Mr. B.P. Deshmukh, aged 73 years, has done M.Com., LL.B., FCS. He has varied experience in finance. He is on the Board of EMI Transmission Ltd. He is a Member of the Allotment Committee of the Board.

He joined the Board in October, 2004 and was reappointed in current term as Independent Director on 30.5.2014.

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

Mr. K. N. Bhandari, aged 75 years, has done B.A., LL.B. He is the Ex-Chairman-cum-Managing Director of The New India Assurance Company Limited and United India Insurance Company Limited. Mr. Bhandari is having rich experience in the Insurance Industry. He is also on the Board of several public listed companies. He is a Member of Audit Committee of the Board.

He joined the Board in October, 2005 and was reappointed in current term as Independent Director on 30.5.2014.

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

Mr. Jayant N. Godbole, aged 72 years, is a B.Tech (Hons), IIT (Mumbai) and holds Certificate of Financial Management from Jamnalal Bajaj Institute of Management Studies. At the time of retirement, he was performing functions of Chairman & Managing Director of IDBI. He has vast knowledge and enriched experience in Finance. He is also on the Board of several public listed companies. He is a Member of Corporate Social Responsibility (CSR) Committee of the Board.

He joined the Board in April, 2008 and was reappointed in current term as Independent Director on 30.5.2014.

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

Mr. Bimal R. Thakkar, aged 52 years, has done B.Com and Diploma in Export Management and has also done a course in International Business and Marketing from Trade Development Institute of Ireland. He has over two decades of experience and is currently spearheading the ADF Group. He has been instrumental in expansion of the business and promoting the Company's products in international markets, development of Brands and creating new markets for the products in U.K. USA, Gulf, Australia, Europe etc. He is also on the Board of several public listed companies. He is a Member of Nomination & Remuneration Committee, Stakeholders Relationships & Grievances Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board.

He joined the Board in April, 2009 and was reappointed in current term as Independent Director on 30.5.2014.

(xi) **Mr. P. K. Behl – DIN: 00653859 (Non-Executive Director, Independent)**

Mr. P. K. Behl, aged 74 years, is First Class First Graduate, Double Gold Medalist from Jaipur University. He retired as Executive Director (International Operations) from Life Insurance Corporation of India controlling in Sri Lanka, Mauritius, Nepal, U.K. and Bahrain and has vast knowledge on corporate matters. Short listed as Life Member for IRDA.

He joined the Board in current term as Independent Director on 30.5.2014.

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

Mrs. Bhagyam Ramani, aged 65 years, is a Post Graduate in Economic (Hons) with specialization in Industrial & Monetary Economics and retired as Director & General Manager of General Insurance Corporation of India, a Government of India Undertaking. She has more than 4 decades experience in various fields including finance and accounts. She is also on the Board of several public listed companies. She is a Member of Allotment Committee of the Board.

She joined the Board in current term as Independent Director on 4.8.2014.

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

Mr. M.S. Gilotra, aged 67 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of more than 4 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management. Mr. Gilotra is in charge of day-to-day operations of the Company and has substantial power of management. He is also the Managing Director of Gujarat Sidhee Cement Limited. He is a Member of Audit Committee, Stakeholders Relationships & Grievances Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board.

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

2.2 RE-APPOINTMENT OF DIRECTORS

Mr. Hemnabh Khatau shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. The brief resume of the Director proposed to be reappointed is appended to the Notice of the Annual General Meeting.

2.3 ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND ANNUAL GENERAL MEETING, DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTOR INTER-SE AND NUMBER OF SHARES HELD BY NON EXECUTIVE DIRECTORS.

During the financial year under review, 5 Board Meetings were held. The meetings were held on the 23rd day of May 2016, 11th day of August 2016, 14th day of September 2016, 24th day of October 2016 and 24th day of January 2017. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on the 22nd day of August 2016. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relationships	No. of Shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	5	No	Father of Mr. Jay Mehta	28480
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	5	Yes	Son of Mr. M. N. Mehta	14630
3.	Mr. Hemang D. Mehta	Non-Executive, Non-Independent	4	No	--	51534
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	5	No	--	--
5.	Mr. S.V.S. Raghavan	Non-Executive, Independent	3	No	--	--
6.	Mr. M.N. Rao	Non-Executive, Independent	5	Yes	--	--
7.	Mr. B.P. Deshmukh	Non-Executive, Independent	5	No	--	--
8.	Mr. K. N. Bhandari	Non-Executive, Independent	5	No	--	--
9.	Mr. Jayant N. Godbole	Non-Executive, Independent	5	No	--	--
10.	Mr. Bimal R. Thakkar	Non-Executive, Independent	2	No	--	--
11.	Mr. P. K. Behl	Non-Executive, Independent	5	Yes	--	--
12.	Mrs. Bhagyam Ramani	Non-Executive, Independent	5	No	--	--
13.	Mr. M.S. Gilotra	Managing Director, Non-Independent	5	Yes	--	--

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

Agenda:

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

Information to the Board of Directors

The following information is circulated along with agenda / placed before the Board :

- Annual Revenue Budget and Capital Expenditure plans.
- Quarterly and annual financial results and results of operations.
- Budget and Financial plans of the Company.
- Formation / Reconstitution of Board Committees and Terms of Reference of Board Committees.
- Minutes of Meetings of Audit Committee, Nomination & Remuneration Committee, Finance & Legal Committee, CSR Committee, Stakeholders Relationship & Grievances Committee, Allotment Committee and Board meetings of Subsidiary Companies.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Any material or default, in meeting any financial obligation to and by the Company or substantial non-payment of goods sold, services rendered, if any.
- Any issue, which includes possible public or liability claims of substantial nature, including any judgment or order, if any, which may have passed strictures on the Company.
- Developments in respect of Human Resources.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business, if any.
- Compliance or Non-compliance of any Regulatory, Statutory or Listing requirement and Investor services such as non payment of dividend, delay in share transfer etc.

Invitees & Proceedings:

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

2.4 OTHER DIRECTORSHIPS

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

The details of the Directorships and Committee memberships in other Companies (excluding Private Limited Companies & Foreign Companies) held by the Directors as on 31st March 2017 are given below:

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**	
			Chairman	Member
1.	Mr. M. N. Mehta, Chairman, Non-Executive, Non-Independent	6	-	-
2.	Mr. Jay Mehta, Executive Vice Chairman, Non-Independent	7	-	1
3.	Mr. Hemang D. Mehta, Non-Executive, Non-Independent	-	-	-
4.	Mr. Hemnabh Khatau, Non-Executive, Non-Independent	6	-	-
5.	Mr. S.V.S. Raghavan, Non-Executive, Independent	1	1	-
6.	Mr. M. N. Rao, Non-Executive, Independent	1	-	-
7.	Mr. B.P. Deshmukh, Non-Executive, Independent	1	-	-
8.	Mr. K. N. Bhandari, Non-Executive, Independent	9	2	2
9.	Mr. Jayant N. Godbole, Non-Executive, Independent	8	4	5
10.	Mr. Bimal Thakkar, Non-Executive, Independent	3	-	2

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**	
11.	Mr. P. K. Behl, Non-Executive, Independent	1	-	1
12.	Mrs. Bhagyam Ramani, Non-Executive, Independent	7	-	7
13.	Mr. M.S. Gilotra, Managing Director, Non-Independent	1	-	2

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

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

2.5 INDEPENDENT DIRECTORS

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meeting held on 19th September 2014. None of the Independent Directors serve as "Independent Directors" in more than seven listed companies. The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and SEBI Regulations.

As per Schedule IV of the Companies Act, 2013 and Clause 25 of SEBI (LODR) 2015, a separate meeting of the Independent Directors of the Company was held on 23rd May, 2017 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information necessary for the Board to discharge its duties between the Company's management and its Board.

2.6 FAMILIARIZATION PROGRAMME FOR THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

In accordance with the requirements of SEBI (LODR) 2015, the Company conducts a Familiarization Programme for all Independent Directors on an on-going basis, periodic presentation are being made to all the Directors by the Managing Director, CFO and Consultants on the Company's finance and industry scenario, business strategy, internal control and mitigation plan. The Directors are also provided with quarterly update on relevant statutory changes and important amendments.

The Company also aspires to be sensitive towards individual directors needs. All possible support is provided by in-house Key Managerial Personnel and outside consultants to individual director(s) as per their requirements.

The programme was conducted by the veterans of the respective fields. Details of the Familiarization programme for the calendar year 2017 is available at the following link: <http://scl.mehtagroup.com/announcements>.

2.7 EVALUATION OF THE BOARD'S PERFORMANCE

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

3. AUDIT COMMITTEE

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

The Audit Committee of the Board comprises of four members viz. Mr. M.N. Rao, Mr. S.V.S. Raghavan, Mr. K. N. Bhandari and Mr. M.S. Gilotra. Mr. K. N. Bhandari was inducted as Member of Audit Committee w.e.f. 11.8.2016. Mr. M.N.Rao is the Chairman of the Audit Committee and was present at the last AGM.

During the year under review, 4 meetings of Audit Committee were held. The meetings were held on 23rd day of May 2016, 11th day of August 2016, 24th day of October 2016 and 24th day of January 2017. Partners/Representative from M/s. Haribhakti & Co, LLP, Chartered Accountants – Internal Auditors, M/s Bansi S. Mehta & Co, Chartered Accountants-Statutory Auditors also attended the meetings. Mr. Ritesh Talati, Partner of M/s. V. J. Talati & Co., Cost Accountants attended the meeting held on 11.8.2016.

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	2
3.	Mr. K. N. Bhandari, Member (inducted as Member w.e.f. 11.8.2016)	4	2
4.	Mr. M. S. Gilotra, Member	4	4

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

Terms of reference of Audit Committee

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

18. Review the functioning of the Whistle Blower / Vigil Mechanism;
19. Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carry any other function as is mentioned in the terms of reference of the Audit Committee;

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

During the year under review, the Committee had two meetings. The meetings were held on 23rd day of May 2016 and 24th day of October 2016 which was attended by all the Members. The Company has a policy in place on the Corporate Social Responsibility .

Terms of Reference of the Committee are as follows:

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

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of four directors viz. Mr. S. V. S. Raghavan, Mr. M. N. Rao, and Mr. Bimal Thakkar. Mr. K.N. Bhandari, Independent Director was inducted as Member of Committee w.e.f. 23.5.2017. Mr. S.V.S. Raghavan is the Chairman of the Committee.

During the year under review, one meeting of Nomination & Remuneration Committee was held on 23rd day of May 2016.

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

Sr. No.	Members of Nomination & Remuneration Committee	No. of meetings held	No. of meetings attended.
1.	Mr. S.V.S. Raghavan (Chairman)	1	1
2.	Mr. M.N.Rao (Member)	1	1
3.	Mr. Bimal Thakkar (Member)	1	1
4.	Mr. K.N. Bhandari (Inducted as Member w.e.f. 23.5.2017)	1	-

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

Terms of Reference of the Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulate of criteria for evaluation of Independent directors and the Board;
3. Devise a policy on Board diversity;

4. Identify persons who are qualified to become directors and also such persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration/Compensation Policy

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

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

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

Details of Remuneration of Directors paid for the Financial Year 2016-17:

Executive Directors: (₹ in Lacs)

Name	Salary & Allowances	Perquisites	Contribution to PF	Contribution to Superannuation	Total
Mr. Jay M Mehta, Executive Vice Chairman	224.31	-	15.84	-	240.15
Mr. M.S. Gilotra, Managing Director	143.53	12.35	12.53	-	168.41

The above Executive Directors were appointed for a period of 5 years effective from 1.1.2016 and the appointments can be terminated by either side by giving three months' notice in writing.

Non Executive Directors

The Directors were paid sitting fees of ₹ 50,000/- per meeting for attending the meeting of the Board, Audit Committee and Nomination & Remuneration Committee. The sitting fees is ₹ 20,000/- per meeting for Stakeholders Relationship & Grievances Committee, CSR Committee or any other Committee of the Board attended by them.

Sr. No.	Name of the Directors	No. of Board meeting attended	No. of Committee meetings attended	Total	Amount of Sitting fees paid (₹)
1.	Mr. M. N. Mehta (Chairman)	5	-	5	2,50,000
2.	Mr. Hemang.D. Mehta	4	-	4	2,00,000
3.	Mr. S.V.S. Raghavan	3	3	6	3,00,000
4.	Mr. M.N. Rao	5	5	10	5,00,000
5.	Mr. B.P. Deshmukh	5	-	5	2,50,000
6.	Mr. K.N. Bhandari	5	2	7	3,50,000
7.	Mr. Bimal R. Thakkar	2	6	8	2,50,000
8.	Mr. Jayant N. Godbole	5	2	7	2,90,000
9.	Mr. Hemnabh Khatau	5	-	5	2,50,000
10.	Mr. P. K. Behl	5	-	5	2,50,000
11.	Mrs. Bhagyam Ramani	5	-	5	2,50,000

The Company has not issued any Stock Options to the Directors and Employees during the financial year ended 31.3.2017 nor in the past.

6. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

The Committee comprises of Mr. Jay M Mehta – Executive Vice Chairman, Mr. M.S. Gilotra – Managing Director, and Mr. Bimal Thakkar, Member, Independent Director. Mr. Bimal Thakkar is the Chairman of the Stakeholders Relationship & Grievances Committee. Ms. Sonali Sanas, Vice President (Legal) & Company Secretary is designated as the Compliance Officer who oversees the redressal of the investor grievances.

During the year under review, 4 meetings of the Committee were held. The meetings were held on 23rd day of May 2016, 11th day of August 2016, 3rd day of October 2016 and 16th day of January 2017. 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. Bimal Thakkar (Chairman)	4	4
2.	Mr. Jay Mehta (Member)	4	4
3.	Mr. M.S. Gilotra (Member)	4	4

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

No. of complaints received	No. of Complaints redressed	No. of complaints pending.
6	6	Nil

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

Terms of Reference

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

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

8. GENERAL BODY MEETINGS:

(i) Annual General Meetings

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

Financial Year	Date	Time	Venue	Dividend declared
2015-16	22.8.2016	10.00 a.m.	Registered Office of the Company	Re.1/- per share on 5,11,91,065 fully paid-up Equity Shares and ₹ 0.19 on 1,80,00,000 partly paid-up Equity Shares for the Financial year ended 31st March 2016
2014-15	23.9.2015	10.00 a.m.		Nil
2013-14	19.9.2014	12.15 p.m.	-do-	Nil

During the year under review, the Company declared and paid Re.1/- per share on 5,11,91,065 fully paid-up Equity Shares and Re.0.19 on 1,80,00,000 partly paid-up Equity Shares for the Financial year ended 31st March 2016.

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

Financial Year	Date of AGM	Particulars of Special Resolution
2015-16	22.8.2016	1. Reclassification of 60,00,000 Preference Shares of ₹ 100/- (Rupees One hundred only) aggregating to ₹ 60,00,00,000 (Rupees Sixty crores only) and 50,00,000 Unclassified Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 5,00,00,000 (Rupees Five crores only) to Equity Capital and accordingly, the present Authorised Capital of the Company is ₹ 195,00,00,000 (Rupees One hundred ninety five crores only) divided into 19,50,00,000 (Nineteen crores fifty lacs) Equity Shares of ₹ 10/- (Rupees Ten) each.
2014-15	23.9.2015	<ol style="list-style-type: none"> 1. Replacement of existing Articles of Association with a new set of Articles of Association pursuant to Section 14 and other applicable provisions of the Companies Act, 2013. 2. Payment of Remuneration to Mr. Jay Mehta, Executive Vice Chairman for the period from 1.4.2015 to 31.12.2015. 3. Reappointment of Mr. Jay Mehta, Executive Vice Chairman for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 4. Payment of Remuneration to Mr. M. S. Gilotra, Managing Director for the period from 1.4.2015 to 31.12.2015. 5. Reappointment of Mr. M. S. Gilotra, Managing Director for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 10% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 6. Related Party Transactions pursuant to the provisions of Section 188 and any other application provisions of the Companies Act, 2013.
2013-14	19.9.2014	<ol style="list-style-type: none"> 1. Increase in number of Directors to 18 (Eighteen). 2. Power to the Board of Directors to create mortgage or charge on its movable or immovable properties for an amount not exceeding ₹ 400 crores in terms of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013. 3. Power to the Board of Directors to borrow money upto ₹ 400 crores in excess of the aggregate of the paid-up share capital and free reserves of the Company in terms of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013. 4. Related Party Transactions pursuant to the provisions of Section 188 and any other application provisions of the Companies Act, 2013.

No resolutions were put for voting through postal ballot.

(ii) **Extraordinary General Meetings:**

No Extraordinary General Meeting was held during the year.

(iii) **Special Resolutions**

As stated above.

9. DISCLOSURES:

a) Transactions with Related Party / Material Nature

During the year under review, there were no transactions of material nature with the Promoters, the Directors, Management or the subsidiaries or relatives of the Directors that had potential conflict with the Company. Transactions with related parties are mentioned in Note No. 35.2 of Notes forming part of financial statements.

b) Penalties & Strictures

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

c) Related Party Transactions

The details of all transactions with related parties are placed before the Audit Committee and Board. The Company has a policy on dealing with the related party transactions. The related party transactions policy is available on the website of the Company. The web-link to the same is <http://scl.mehtagroup.com/policy/related-party-transactions-policy>.

d) Policy for determining the Material Subsidiaries:

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

e) Disclosure of Accounting Treatment:

In preparation of Financial Statements, the Company has followed the Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and as amended from time to time.

f) Disclosure on Risk Management:

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

g) Code of Conduct;

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

h) CEO/CFO Certification

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

i) Policy for preservation of documents

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

j) Policy for determination of material event and price sensitive information

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

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

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

10. MEANS OF COMMUNICATION:

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

11. GENERAL SHAREHOLDERS INFORMATION:

i)	Audited results for the current Financial Year ended 31st March 2017.	23 rd May 2017	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2016) Quarter II (ending 30.9.2016) Quarter III (ending 31.12.2016) Quarter IV (ending 31.3.2017)	Within the period as stipulated under the SEBI (LODR) 2015
iii)	Annual General Meeting is proposed to be held	Wednesday the 26th July, 2017	
iv)	Date of Book closure	Monday the 17th July 2017 to Wednesday the 26th July 2017 (both days inclusive)	

v) Listing of Equity Shares on Stock Exchange at:

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

vi) Listing Fees:

The Company has paid Listing Fees for the financial year 2017-2018 to the Bombay Stock Exchange Ltd., (BSE) where the Company's shares are listed.

vii) Registrar & Share Transfer Agent:

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

No complaint received from the Shareholders / Investors as on 31.3.2017 is pending relating to transfer of security.

viii) Share Transfer System

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

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

ix) Distribution of Shareholding as on 31.3.2017

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	9418	81.98	1258102	1.82
501 – 1000	874	7.61	739888	1.07
1001 – 2000	460	4.00	723045	1.04
2001 – 3000	179	1.56	467417	0.68
3001 – 4000	96	0.84	353594	0.51
4001 - 5000	118	1.03	563185	0.81
5001 - 10000	158	1.37	1201990	1.74
10001 - above	185	1.61	63883844	92.33
TOTAL	11488	100.00	69191065	100.00

x) **Shareholders Profile as on 31.3. 2017:**

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	11	0.10	46297653	66.91
Bodies Corporate	300	2.61	3796924	5.49
NRIs	440	3.83	256827	0.37
FII's	4	0.03	1810	-
Financial Institutions	2	0.02	272737	0.39
UTI & Insurance Companies	7	0.06	192487	0.28
Banks	6	0.05	421485	0.61
Mutual Fund	1	0.01	100	-
Foreign Companies	1	0.01	2470000	3.57
Overseas Corporate Bodies	1	0.01	109100	0.16
Indian Public	10715	93.27	15371942	22.22
Total	11488	100.00	69191065	100.00

xi) **Dematerialization of shares:**

As on 31.3.2017, 6,84,18,135 equity shares constituting 98.88% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

xii) **Stock Market price data for the period 2016-2017:**

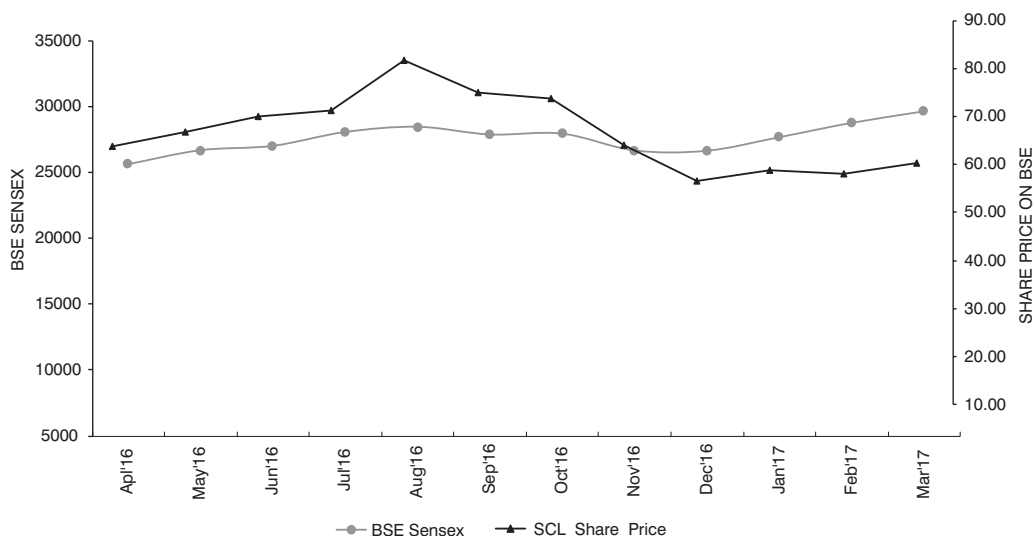
The High, Low and Closing prices of the Company's share of the face value of ₹ 10/- each on Bombay Stock Exchange, Mumbai from April 2016 to March 2017 are as under:-

In rupees

Month	High	Low	Closing
April 2016	71.00	59.65	63.85
May 2016	73.00	54.45	66.80
June 2016	73.40	61.00	69.90
July 2016	74.40	66.55	71.20
August 2016	85.45	67.50	81.80
September 2016	84.30	71.50	75.10
October 2016	82.00	68.40	73.85
November 2016	74.40	53.00	63.95
December 2016	65.00	52.25	56.50
January 2017	67.80	56.05	58.80
February 2017	63.00	55.90	57.95
March 2017	62.50	56.00	60.35

(xiv) Stock Performance (Indexed)

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

April 2016 to March 2017**Plant Location:**

Near Railway Station, Ranavav, Gujarat 360 560.

xv) Address for correspondence :**1. Registered Office**

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

2. Corporate Office :

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

Shareholder correspondence should be addressed to Registrars & Transfer Agent:

M/s. Link Intime India Pvt Ltd
(Unit: Saurashtra Cement Limited)
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083.
Tel. 022- 49186000, Fax : 022-49186060
Contact Person : Mr. Sharad Patkar
E-mail: Mumbai@linkintime.co.in

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

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



xvi) Mandatory requirement of PAN:

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

12. NON MANDATORY REQUIREMENTS :

(a) Chairman's Office :

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

(b) Shareholders Rights

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

(c) Auditor's Opinion

The Company's Standalone Financial Statements for the year ended 31st March 2017 does not have any qualification.

(d) Separate posts for chairperson and chief executive officer

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

(e) Reporting of internal auditor

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

(f) Code for Prohibition of Insider Trading

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

13. SUBSIDIARY COMPANIES:

There is no material non listed Indian Subsidiary Company as on 31-03-2017 requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary companies.

On behalf of the Board of Directors

M.S.Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Place : Mumbai
Dated : 23.5.2017

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2017.

On behalf of the Board of Directors

On behalf of the Board of Directors

M.S.Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Place : Mumbai
Dated : 23.5.2017

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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 March 31, 2017, as required to in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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 the above mentioned Listing Regulations, as applicable.

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 23, 2017



FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis –
Not Applicable.
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any.
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis
 - I.
 - (a) Name(s) of the related party and nature of relationship
Gujarat Sidhee Cement Limited – Associate Company.
 - (b) Nature of contracts/arrangements/transactions
 - a. Sale of power of upto 5 MW under wheeling arrangement for a term of 3 to 5 years.
 - b. Sale / Purchase / supply of clinker and cement at market rate.
 - c. Availing, rendering services like administration, human resources and Sharing of common expenses on agreed formula etc.
 - d. Brand fee for use of Brand "Hathi" as per Brand valuation report.
All above transactions are at prevailing market price and at arms length basis.
 - (c) Duration of the contracts/arrangements/transactions
Contract was in place till January 2017 with regard to item no.2(l)(b)(a).
 - (d) Salient terms of the contracts or arrangements or transactions including the value , if any.
Please refer item (b) above.
 - (e) Date(s) of approval by the Board, if any.
23rd May 2016
 - (f) Amount paid as advances, if any.
NIL
 - II.
 - (a) Name(s) of the related party and nature of relationship
Agrima Consultants International Limited – wholly owned subsidiary
 - (b) Nature of contracts/arrangements/transactions
Utilisation of their premises by the Company for official use.

- (c) Duration of the contracts/arrangements/transactions
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.
18th May 2016.
- (f) Amount paid as advances, if any.
NIL
- III. (a) Name(s) of the related party and nature of relationship
Prachit Holdings Limited – wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.
18th May 2016
- (f) Amount paid as advances, if any.
NIL
- IV. (a) Name(s) of the related party and nature of relationship
Reeti Investments Private Limited – wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions
Provided finance for expenses
- (c) Duration of the contracts/arrangements/transactions
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.
18th May 2016
- (f) Amount paid as advances, if any.
NIL

On behalf of the Board of Directors

M.S.Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Place : Mumbai
Dated : 23.5.2017

CSR REPORT

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	The Company has adopted the CSR policy on 9th February 2015. The same is available on the website of the Company at http://scl.mehtagroup.com/policy/csr-policy
2.	Composition of CSR Committee	Mr. Jay Mehta, Executive Vice Chairman Mr. M. S. Gilotra, Managing Director Mr. Jayant N. Godbole, Independent Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	₹ 3893.67 lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 78.44 lacs
5.	Details of CSR spent during the financial year	₹ 91.66 lacs
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Nil
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

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

Sr. No	CSR Project / Activities	Sector	Location – District (States)	Amount outlay (Budget) Program wise ₹ in Lacs	Amount spent on programs	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through Implementing Agency
1.	Donation of Ambulance and improvement in Sanitation	Health Care and Sanitation	Ranavav, Dist : Porbandar, nearly villages of Ranavav Taluka, Aditpara Village and Kirasara Village	36.00	30.42	30.42	Direct
2.	Running of Schools, extra coaching classes to under-privileged students nearly areas, supply of infrastructure like printer, computers, scanner copier and audio video system in the lab and net connectivity and contribution towards Capex to Arya Kanya Gurukul, Vocational Training equipment to Sri Ramakrishna Mission	Quality Education	Nearby areas of Ranavav, Porbandar, Amardal, Barvan, Adityana Village and Bangalore	51.47	54.28	54.28	Direct/ through Trust
3.	Amusement park for children in Villages	Rural Development Project	Nearby places in Amardal Village	7.00	6.96	6.96	Direct
			Total	94.47	91.66	91.66	

For and on behalf of the Board
Jay Mehta
Executive Vice Chairman &
Chairman of the CSR Committee

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

Name of Director	Mr. Hemnabh R. Khatau
Date of Birth	27th February, 1961
Date of Appointment	Initially joined the Board on 25.10.2008 and was reappointed on 23.9.2015.
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance.
Qualification	B.A. (Engg). from Cambridge, M.Sc (UMIST)
List of outside Director ships held (Public Limited Companies)	1. Gujarat Sidhee Cement Limited 2. Pranay Holdings Limited 3. Prachit Holdings Limited 4. Ria Holdings Limited 5. Agrima Consultants International Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director	
a) Audit Committee	Nil
b) Shareholders Committee	Nil
c) Shares held by the Directors in the Company	Nil



ANNEXURE - F

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

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/ or SEBI (share based employees Benefits) Regulations 2014. (Not applicable to the Company during the Audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Audit Period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

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

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.
4. Environment Protection Act, 1986 and other Environmental Laws;
5. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
6. Indian Contract Act, 1872;
7. Negotiable Instruments Act, 1881;
8. Acts relating to protection of IPR;
9. The Legal Metrology Act, 2009;
10. Other local laws as applicable to various plants and offices.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that:

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

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

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

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

For Ragini Chokshi & Co.

Ragini Chokshi
(Partner)

Place: Mumbai
Date: 04-05-2017

C.P. No. 1436
FCS No. 2390

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

- a) Steps taken or impact on conservation of energy.
 - Medium voltage frequency drive for Separate line calciner fan.
 - Variable frequency drive for Cement mill 2&3 fan.
 - Use of energy efficient lamps by replacing Street and Plant lights with LED.
 - Replacement of two old compressors with high efficiency compressors.
 - Replacement of ESP with bag filter in Cement mill 4
- b) Steps taken by the Company for utilising alternate sources of energy:
 - Ready to use AFR like Spent Carbon, Rubber dust etc.
- c) The capital investment on energy conservation equipment:
Capital invested for items mentioned in (a) and (b) above during the year was ₹ 168.28 lacs.

B. TECHNOLOGY ABSORPTION:

- a) Efforts made towards technology absorption:
 - Changed the grinding media pattern and modified liners in coal mills.
 - Replacement of 18 old motor by high efficiency motors
 - Use of BH in place of ESP in Cement mill 4
 - Medium voltage drive in SLC fan HT motor.
 - Use of 3 phase controller and transformer in cooler ESP.
 - Replacement of drag pipe lines with classified liners in second chamber of CM 2.
- b) Benefits derived like product improvement, cost reduction, product development or import substitution:
 - Reduction in power consumption
 - Reduction in fuel consumption.
 - Optimization of Kiln process.
 - Reduction in stack emission.
- c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
Nil
- d) Expenditure incurred on Research and Development (R&D)
Mill optimization and Separator optimization - ₹ 71.55 Lacs.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2016-17 (₹ in Lacs)	Previous Year 2015-16 (₹ in Lacs)
Foreign Exchange earned	2,752.40	8,787.11
Foreign Exchange used	5,670.14	2,880.17

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pranay Holdings Limited	U67120MH1992PLC065188	Subsidiary	100	2 (87)
2	Prachit Holdings Limited	U67120MH1992PLC067374	Subsidiary	100	2 (87)
3	Ria Holdings Limited	U67120MH1992PLC067548	Subsidiary	100	2 (87)
4	Reeti Investments Private Limited	U65990MH1992PLC066507	Subsidiary	100	2 (87)
5	Agrima Consultants International Limited	U74210MH1988PLC047543	Subsidiary	100	2 (87)
6.	Gujarat Sidhee Cement Limited	L26940GJ1973PLC002245	Associate	* 20.46	2 (6)
7.	Villa Trading Co. Private Ltd	U51900MH1994PTC076992	Associate	20.46	2 (6)

***Note -** (Gujarat Sidhee Cement Limited holds the above mentioned 20.46 % shares in the Company through its Subsidiary Villa Trading Co. Private. Ltd)

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

A. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	(1) Indian									
	a) Individual/ HUF	132310	193808	326118	0.64	4593940	193808	4787748	6.92	6.28
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt.(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	14306934	-	14306934	27.95	27845304	-	27845304	40.24	12.29
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	Sub -Total (A)(1)	14439244	193808	14633052	28.59	32439244	193808	32633052	47.16	18.57
	(2) Foreign									
	a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
	b) Other - Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	18452349	-	18452349	36.05	18452349	-	18452349	26.67	-9.38
	d) Banks / FI	-	-	-	-	-	-	-	-	-
	e) Any other	-	-	-	-	-	-	-	-	-
	Sub -Total (A)(2)	18452349	-	18452349	36.05	18452349	-	18452349	26.67	-9.38
	Total shareholding of Promoter (A)= (A)(1) + (A)(2)	32891593	193808	33085401	64.64	50891593	193808	51085401	73.83	9.19
B.	Public Shareholding									
	1. Institutions									
	a) Mutual Funds / UTI	-	1250	1250	-	-	1250	1250	-	-
	b) Banks / FI	818824	850	819674	1.60	693372	850	694222	1.00	-0.60
	c) Central Govt.	-	-	-	-	-	-	-	-	-
	d) State Govt.(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance companies	190927	410	191337	0.38	190927	410	191337	0.28	-0.10
	g) FIs	268192	1810	270002	0.52	50000	1810	51810	0.07	-0.45
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	1277943	4320	1282263	2.50	934299	4320	938619	1.36	-1.14

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3172311	17126	3189437	6.23	2900125	17126	2917251	4.22	-2.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4132401	356324	4488725	8.77	4183867	351292	4535159	6.55	2.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4745661	175384	4921045	9.61	5873651	175384	6049035	8.74	-0.87
c) Others (specify)									
Non Resident Indians	267684	31200	298884	0.58	225827	31000	256827	0.37	-0.21
Overseas Corporate Bodies	109100	-	109100	0.21	109100	-	109100	0.16	-0.05
Foreign Companies	2470000	-	2470000	4.83	2470000	-	2470000	3.57	-1.26
Clearing Members	1346210	-	1346210	2.63	829673	-	829673	1.20	-1.43
Trusts	-	-	-	-	-	-	-	-	-
Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	16243367	580034	16823401	32.86	16592243	574802	17167045	24.81	-8.05
Total Public Shareholding (B)=(B)(1)+ (B)(2)	17521310	584354	18105664	35.36	17526542	579122	18105664	26.17	-9.19
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	50412903	778162	51191065	100.00	68418135	772930	69191065	100.00	-

In accordance with the BIFR order dated 14th March, 2013 Company issued and allotted 1,80,00,000 equity shares of ₹10/- each to Promoters and its associates on 10/11/2015, which on being made fully paid-up, these Shares are listed with Bombay Stock Exchange on 16th January, 2017.

B) Shareholding of Promoter-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Jagmi Investments Limited	5175000	10.11	10.11	5175000	7.48	7.48	-2.63
2	The Mehta International Limited	3750	0.01	0.01	3750	0.01	0.01	-
3	Clarence Investments Limited	1273599	2.49	2.49	1273599	1.84	1.84	-0.65

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
4	TransAsia Investments & Trading Limited	8000000	15.63	15.63	8000000	11.56	11.56	-4.07
5	Sampson Limited	4000000	7.81	7.81	4000000	5.78	5.78	-2.03
6	Pallor Trading Co. Pvt. Ltd.	25136	0.05	0.05	25136	0.04	0.04	-0.01
7	Sameta Export Pvt. Ltd.	123531	0.24	0.24	123531	0.18	0.18	-0.06
8	Villa Trading Co. Pvt. Ltd	14158167	27.66	27.66	14158167	20.46	20.46	-7.20
9	Gujarat Sidhee Cement Limited	100	0.00	-	100	0.00	-	-
10	Parsec Enterprises Private Limited	-	-	-	13538370	19.57	-	19.57
11	Mahendrabhai N Mehta	28480	0.06	-	28480	0.04	-	-0.02
12	Dhirendra N Mehta	5000	0.01	-	44050	0.06	-	0.05
13	Hemang D Mehta	51534	0.10	-	51534	0.07	-	-0.03
14	Jay M Mehta	14630	0.03	-	14630	0.02	-	-0.01
15	Sunayanaben M Mehta	6000	0.01	-	6000	0.01	-	-
16	Medhavini D Mehta	46184	0.09	-	90634	0.13	-	0.04
17	Umade D Mehta	15400	0.03	-	26000	0.04	-	0.01
18	Kamalakshi D Mehta	18400	0.03	-	18400	0.03	-	-
19	Juhi Chawla Mehta	24650	0.05	-	24650	0.04	-	-0.01
20	Radha Mahendra Mehta	5100	0.01	-	5100	0.01	-	-
21	Anisha Hemang Mehta	100	0.00	-	100	0.00	-	-
22	Devika Hemang Mehta	100	0.00	-	100	0.00	-	-
23	Nirmala Ranvir Khatau	7660	0.01	-	12935	0.02	-	0.01
24	Sudhir Babulal Shah	100000	0.20	-	168830	0.24	-	0.04
25	Atul C Khanna	2880	0.01	-	2880	0.00	-	-
26	Jahnvi Jay Mehta	-	-	-	1656713	2.39	-	2.39
27	Arjun Jay Mehta	-	-	-	1656712	2.39	-	2.39
28	Promilla Khanna	-	-	-	650000	0.94	-	0.94
29	Subash Chandra Khanna	-	-	-	130000	0.19	-	0.19
30	Arja Shridhar	-	-	-	200000	0.29	-	0.29
	TOTAL	33085401	64.64	64.00	51085401	73.83	47.35	9.19

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

Sr. No	Name of the Shareholder	Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Parsec Enterprises Private Limited	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			13538370	19.57
		Shares held at the end of the year.					
2	Jahnvi Jay Mehta	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			1656713	2.39
		Shares held at the end of the year.					
3	Arjun Jay Mehta	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			1656712	2.39
		Shares held at the end of the year.					
4	Dhirendra Nanjibhai Mehta	01/04/2016	At the beginning of the year	5000	0.00	5000	0.00
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			39050	0.06
		Shares held at the end of the year.					
5	Medhaviniben Dhirendra Mehta	01/04/2016	At the beginning of the year	46184	0.07	46184	0.07
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			44450	0.06
		Shares held at the end of the year.					
6	Umade Dhirendra Mehta	01/04/2016	At the beginning of the year	15400	0.02	15400	0.02
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			10600	0.02
		Shares held at the end of the year.					
7	Nirmala Ranvir Khatau	01/04/2016	At the beginning of the year	7660	0.01	7660	0.01
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			5275	0.01
		Shares held at the end of the year.					

Sr. No	Name of the Shareholder	Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Sudhir Babubhai Shah	01/04/2016	At the beginning of the year	100000	0.14	100000	0.14
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			68830	0.10
		Shares held at the end of the year.					
9	Promilla Khanna	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			650000	0.94
		Shares held at the end of the year.					
10	Subash Chandra Khanna	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			130000	0.19
		Shares held at the end of the year.					
11	Arja Shridhar	01/04/2016	At the beginning of the year	0	0	0	0
		16/01/2017	Shares Allotted as per BIFR order dated 14th March, 2013			200000	0.29
		Shares held at the end of the year.					

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01/04/2016.		Cumulative Shareholding during the Year 31/03/2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Toro Managers Limited	2470000	4.83	2470000	3.57
2.	Arun Nahar	590026	1.15	610026	0.88
3.	Hardik Bharat Patel	0	0	586094	0.84
4.	Premji K. Ruparel	564430	1.10	564430	0.82
5.	Runner Marketing Pvt. Ltd	500000	0.97	500000	0.72
6.	Vibgyor Investors & Developers Private Limited	0	0	500000	0.72
7.	Dena Bank - Investment	420335	0.82	420335	0.61
8.	Ruchit Bharat Patel	0	0	385738	0.56
9.	Esmā Industries Pvt. Limited	316288	0.62	316288	0.46
10.	Indianivesh Capitals Limited	402250	0.79	295379	0.42

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01/04/2016.		Cumulative Shareholding during the Year 31/03/2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11.	Suman Bang	0	0	241444	0.35
12.	Life Insurance Corporation of India	226087	0.44	226087	0.33
13	Priti Premji Ruparel	205000	0.40	205000	0.29
14	Indianivesh Securities Private Limited	795000	1.55	202000	0.29
15	Premji K. Ruparel	199500	0.39	199500	0.29
16	Nikhil Sudhir Nagle	0	0	198831	0.29
17	Jainam Share Consultants Pvt. Ltd	0	0	189359	0.27
18	Mansi Share & Stock Advisors Pvt. Ltd	0	0	139831	0.20
19	National Insurance Company Limited	136690	0.27	136690	0.20

The shares of the Company are traded on a regular basis hence date wise increase and decrease of shares is not indicated.

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Shareholder	Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mahendra N Mehta (Chairman)	01/04/2016	At the beginning of the year	28480	0.06	28480	0.04
		31/03/2017	At the end of the year			28480	0.04
2	Jay M Mehta (Executive Vice Chairman)	01/04/2016	At the beginning of the year	14630	0.03	14630	0.02
		31/03/2017	At the end of the year			14630	0.02
3	Hemang D Mehta (Director)	01/04/2016	At the beginning of the year	51534	0.10	51534	0.07
		31/03/2017	At the end of the year			51534	0.07
Key Managerial Personnel							
1	Mr. M. S. Gilotra (Managing Director)	01/04/2016	At the beginning of the year	0	0	0	0
		31/03/2017	At the end of the year			0	0
2	Mr. Rakesh Mehta (Chief Financial Officer)	01/04/2016	At the beginning of the year	0	0	0	0
		31/03/2017	At the end of the year			0	0
3	Mrs. Sonali Sanas (Vice President (Legal) & Co. Secretary)	01/04/2016	At the beginning of the year	0	0	0	0
		31/03/2017	At the end of the year			0	0



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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1932.04	-	-	1932.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1932.04	-	-	1932.04
Change in Indebtedness during the financial year				
* Addition	170.00			170.00
* Reduction	375.45			375.45
Net Change	(205.45)			(205.45)
Indebtedness at the end of the financial year				
i) Principal Amount	1726.59	-	-	1726.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1726.59			1726.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount in lacs
		Mr. Jay M. Mehta (Executive Vice Chairman) 1-4-2016 to 31-3-2017 (₹ In lacs)	Mr. M. S. Gilotra (Managing Director) 1-4-2016 to 31-3-2017 (₹ In lacs)	
1	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	240.15	156.06	396.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	12.35	12.35
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	240.15	168.41	408.56
	Ceiling as per the Act*			

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

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount ₹ Lacs (including TDS)
		Mr. S. V. S Raghavan	Mr. M.N. Rao	Mr. K. N. Bhandari	Mr. B. P. Deshmukh	Mr. Jayant Godbole	Mr. Bimal Thakkar	Mr. P K Behl	Mrs. Bhagyam Ramani	
1	Independent Directors									
	Fee for attending board committee meetings	3.00	5.00	3.50	2.50	2.90	2.50	2.50	2.50	24.40
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	3.00	5.00	3.50	2.50	2.90	2.50	2.50	2.50	24.40
2	Other Non-Executive Directors	Mr. M. N. Mehta	Mr. H.D. Mehta	Mr. Hemnabh Khatau						
	Fee for attending board committee meetings	2.50	2.00	2.50						7.00
	Commission	-	-	-						-
	Others, please specify	-	-	-						-
	Total (2)	2.50	2.00	2.50						7.00
	Total (B)=(1+2)									31.40
	Total Managerial Remuneration									31.40
	Overall Ceiling as per the Act**									

** 1 lac per Director per meeting attended.

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

(₹ In lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
		Mr. Rakesh Mehta (For 01/04/2016 to 31/03/2017)	Ms. Sonali Sanas (For 01/04/2016 to 31/03/2017)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52.27	40.51	92.78
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.44	-	7.44
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	59.71	40.51	100.22

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

- a) Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2016-2017	450383
Percentage increase in the median remuneration of employees in the Financial Year	12.16%
Number of permanent employees on the rolls of the Company as on 31st March 2017	472

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2016-2017
Executive Director		
Mr. Jay Mehta, Executive Vice Chairman	54.17	7.02%
Mr. M. S. Gilotra, Managing Director	37.29	2.99%
Other KMPs		
Mr. Rakesh Mehta, Chief Financial Officer	15.44	7.50%
Ms. Sonali Sanas, Vice President (Legal) & Company Secretary	10.30	10.00%

- (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April 2016 to 31st March 2017.
- (b) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average percentage increase in the remuneration of employees is around 6.49%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.
- (c) The remuneration is as per the remuneration policy of the Company.



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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SAURASHTRA CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact, if any, of pending litigations as at March, 31, 2017 on its financial position in its standalone financial statements - Refer Note 30 of the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosure in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 18.1 of the standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure B, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 23, 2017



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1.f under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the standalone financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAURASHTRA CEMENT LIMITED** ("the Company"), as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: MUMBAI
Date: May 23, 2017



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the standalone financial statements for the year ended March 31, 2017

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

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment (PPE) (earlier referred to as fixed assets).
 - b. The PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which, in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, a material portion of the items of PPE have been verified by the management during the year, and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed immovable properties (Buildings) as included in PPE, Note 11 to the financial statements, are held in the name of the Company. The license to use agreement with Gujarat Maritime Board dated January 17, 1997, for the use of self constructed Jetty Gross Block ₹ 2411.45 lacs (Net Block ₹ 120.57 lacs), constructed on the land provided by Gujarat Maritime Board for a period of 15 years from the date of completion of construction being October 8, 2000 is pending for renewal.
- ii. Inventories other than stocks-in-transit have been physically verified by the management during the year. For stocks-in-transit at the year-end, the necessary documentary evidences for physical verification have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- iii.
 - a. The Company had granted interest-free unsecured deposit to one of its subsidiary in earlier years, which is a company covered in the Register maintained under Section 189 of the Act. The Company has not granted any other loans, secured or unsecured, to firms, limited liability partnerships or other parties covered under section 189 of the Act.
 - b. As regards the said interest-free deposit to the subsidiary, no other terms and conditions, including repayment thereof have been stipulated and accordingly, the question of making any comment for the regularity of the receipt of the principal or the recovery of overdue amounts does not arise. Considering the amount involved and the fact that it is given to a subsidiary and for the purpose for which it is given, in our opinion, the same is not, *prima facie*, prejudicial to the interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or provided any security in connection with a loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under Section 148(1) of the Act in respect of its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- vii.
 - a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues on 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, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Service-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Nature of Dues - Name of the Statute	Amount (₹ lacs)	Period to which amount relates	Forum where dispute is pending
Service Tax – The Finance Act, 1994			
Tax and penalty	2.39 (*0.35)	2006-2007	CESTAT
Tax and penalty	5.58	2010-2011	CESTAT
Duty of Customs- Customs Act, 1962			
Duty and interest	3.25 (*3.25)	2009-2011	CESTAT
Duty, interest and penalty	741.28(*76.86)	2011-2013	CESTAT (Large Bench)
Duty of Excise – Central Excise Act, 1944			
Tax, interest and penalty	710.45(*20.62)	2005-2016	CESTAT
Duty, interest and penalty	174.05	2007-2008	Honourable High Court of Gujarat
Penalty	0.69 (*0.07)	2012-2013	Commissioner of Excise (Appeals)
Duty and penalty	421.37(*15.80)	2008-2014	CESTAT
Value Added Tax – Gujarat Value Added Tax Act, 2003			
Value Added Tax (VAT)	159.02	2008-2010	Joint Commissioner of Sales Tax
Interest on VAT	294.68		
Penalty on VAT	101.42		
* Indicates amounts deposited against the dispute			

- viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of dues to financial institutions, banks, Government or debenture holders.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In terms of the Order of March 14, 2013 from the Board for Industrial and Financial Reconstruction a Rehabilitation Scheme, for the contribution from the promoters and associates, the Company had made allotment of equity shares during the previous financial year for which the balance call money is received during the year. These call money have been used for the purposes specified in the Scheme for which the funds were raised. Other than the allotment as aforesaid, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Act during the year under review. Accordingly, the requirement to comment upon the utilisation of funds for the purpose for which they were raised does not arise.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: MUMBAI
Date: May 23, 2017



BALANCE SHEET AS AT MARCH 31, 2017

	Note	March 31, 2017 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	6,919.42		6,019.42
Reserves and Surplus	3	21,417.90		20,675.38
			28,337.32	26,694.80
Non-current Liabilities				
Long-term Borrowings	4	212.18		120.11
Other Long-term Liabilities	5	972.73		881.77
Long-term Provisions	6	1,097.25		1,027.87
			2,282.16	2,029.75
Current Liabilities				
Short-term Borrowings	7	1,462.02		1,792.02
Trade Payables	8			
- Outstanding dues of micro enterprises and small enterprises		Nil		Nil
- Outstanding dues of creditors other than micro enterprises and small enterprises		4,819.11		2,738.80
Other Current Liabilities	9	7,612.02		7,086.82
Short-term Provisions	10	318.74		1,155.71
			14,211.89	12,773.35
TOTAL			44,831.37	41,497.90
ASSETS				
Non-current Assets				
Property, Plant and Equipment	11	19,880.18		20,101.59
Intangible Assets	11	20.42		35.95
Tangible Capital Work-in-progress	11	4,898.33		3,957.72
Non-current Investments	12	1,880.18		1,880.18
Deferred Tax Assets (net)	13	50.46		296.99
Long-term Loans and Advances	14	1,850.15		1,164.91
Other Non-current Assets	15	68.59		12.16
			28,648.31	27,449.50
Current Assets				
Inventories	16	6,080.72		4,828.89
Trade Receivables	17	1,450.72		1,405.18
Cash and Bank Balances	18	6,967.61		6,388.65
Short-term Loans and Advances	19	1,121.34		1,029.17
Other Current Assets	20	562.67		396.51
			16,183.06	14,048.40
TOTAL			44,831.37	41,497.90

Significant Accounting Policies and Notes are an integral part of the Financial Statements 1 - 37

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 23, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Executive Vice Chairman

M. N. Rao

Director

M. S. Gilotra

Managing Director

Rakesh H. Mehta

Chief Financial Officer

Sonali Sanas

Vice President (Legal) & Company Secretary

Mumbai, Dated May 23, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
Revenue from Operations (Gross)	21		53,557.20	59,224.62
Less: Excise Duty			6,069.45	6,254.50
Revenue from Operations (Net)			47,487.75	52,970.12
Other Income	22		1,063.65	1,280.57
Total Revenue			48,551.40	54,250.69
Expenses				
Cost of Materials Consumed	23		3,573.56	4,325.21
Purchases of Stock-in-trade	24		203.86	805.80
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25		212.14	640.93
Employee Benefits Expense	26		3,925.15	3,910.41
Finance Costs	27		365.41	480.67
Depreciation, Amortisation and Impairment	11		1,417.03	1,268.64
Other Expenses	28		37,299.78	36,984.64
Total Expenses			46,996.93	48,416.30
Profit before Exceptional Items and Tax			1,554.47	5,834.39
Exceptional Items	29		Nil	1,037.00
Profit before Tax			1,554.47	6,871.39
Tax Expense				
Current Tax		344.37		1,470.17
Current Tax Adjustments of Earlier Years		Nil		(139.55)
MAT Credit Entitlement Reversed		Nil		538.07
		344.37		1,868.69
Deferred Tax		246.52		624.81
			590.89	2,493.50
Profit for the year			963.58	4,377.89
Earnings per equity share of ₹10 par value per share				
Basic and diluted (₹ per share)	36		1.50	7.51

Significant Accounting Policies and Notes are an integral part of the Financial Statements 1 - 37

As per our Report of even date attached

For and on Behalf of the Board of Directors

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

Jay M. Mehta

Executive Vice Chairman

M. N. Rao

Director

M. S. Gilotra

Managing Director

Rakesh H. Mehta

Chief Financial Officer

Sonali Sanas

Vice President (Legal) & Company Secretary

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 23, 2017

Mumbai, Dated May 23, 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before tax		1,554.47	6,871.39
Adjustments for :			
Add: Finance Costs	365.41		480.67
Loss on Sale of Assets / Capital WIP Written Off	66.45		62.24
Provision for Doubtful Debts / Advance	24.46		Nil
Depreciation, Amortisation and Impairment	1,417.03		1,268.64
		1,873.35	1,811.55
Less: Interest Income	485.38		320.51
Dividends Received	0.04		0.04
Excess Provision and Trade / Other Payables Written Back	394.52		810.46
Excess Provision Written Back	2.78		10.01
Exceptional Items	Nil		1,037.00
		(882.72)	(2,178.02)
Operating profit before working capital changes		2,545.10	6,504.92
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	132.28		390.13
Trade Payables and Other Current Liabilities	2,620.43		(1,171.36)
Long-term Loans and Advances and Other Non-current Assets	(41.53)		58.25
Inventories	(1,251.83)		2,923.71
Trade Receivables and Short-term Loans and Advances	203.70		141.44
Other Current Assets	14.97		17.65
		1,678.02	2,359.82
Cash generated from operations		4,223.12	8,864.74
Add: Direct Taxes (Payments) / Refunds		(959.67)	(1,227.69)
Net cash flow from operating activities		3,263.45	7,637.05
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment etc.	(3,033.39)		(2,517.54)
Sale of Property, Plant and Equipment etc.	106.45		84.13
Sale of Non-current Investments	Nil		(0.01)
Interest Income	541.54		77.07
Dividends Received	0.04		0.04
Net cash flow from / (used in) investing activities		(2,385.36)	(2,356.31)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
CASH FLOW FROM FINANCING ACTIVITIES			
Allotment / Call money received on Issue of Shares	900.00		900.00
Proceeds from Long-term Borrowings	144.46		140.02
Redemption of Preference Share Capital	(0.29)		(512.40)
Repayment of Long-term Borrowings	(19.91)		(794.24)
Dues (From) / To Subsidiaries	(1.01)		(0.18)
Short-term Borrowings	(330.00)		1,348.60
(Increase) / Decrease in Bank Deposits	(353.09)		(5,927.68)
Finance Costs Paid	(337.00)		(452.69)
Dividends and Distributions Taxes Paid	(655.38)		(1,228.18)
Net cash flow used in financing activities		(652.22)	(6,526.75)
Net increase in cash and cash equivalents		225.87	(1,246.01)
Cash and cash equivalents as at the beginning of the year		315.42	1,561.43
Cash and cash equivalents as at the end of the year (Refer Note 18)		541.29	315.42

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

As per our Report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 23, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta *Executive Vice Chairman*
M. N. Rao *Director*
M. S. Gilotra *Managing Director*
Rakesh H. Mehta *Chief Financial Officer*
Sonali Sanas *Vice President (Legal) & Company Secretary*
Mumbai, Dated May 23, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Significant Accounting Policies

1.1 Basis of Preparation :

These financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at its manufacturing facilities at Ranavav, Gujarat) as also on accrual basis. These financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of Rule 4A of the Companies (Accounts) Rules 2014, the items contained in these financial statements are in accordance with the definitions and other requirements specified in the Accounting Standards.

1.2 Use of Estimates :

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

1.3 Property, Plant and Equipment (PPE) :

- i. The Company has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and any impairment loss. An item of PPE is recognised as an asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof, else, such spare parts, etc. are classified as inventory.
- iii. The cost comprises of - purchase price (net of recoverable CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes, and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, after deducting trade discounts and rebates.
- iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as "Capital Work-in-progress". Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress and the same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.
- v. Items of PPE, which are retired from active use and held for disposal, and where the sale is highly probable, are classified under other current assets; the same are carried at the lower of their carrying amounts and net realisable value. Any write-down in this regard is recognised immediately in the statement of profit and loss.

1.4 Depreciation / Amortisation :

- i. Depreciation on PPE is commenced on when it is available on use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended. Depreciation (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, and if expectations differ from previous estimates, the change is recognised in the statement of profit and loss with appropriate disclosure thereof.
- ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Company has determined the useful life of that significant part separately ("Component Accounting"). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Company has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.
- iii. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.
- iv. In view of the period of right to use of 15 years the cost of Jetty is amortised on the "Straight-line Method" over the said period. Addition thereto, is amortised over the residual years of its right to use.
- v. Premium on leasehold land of long lease duration is not amortised, being not material.
- vi. Intangible assets being computer softwares are amortised on the "Straight-line Method" over a period of 3 years.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.5 Assets Acquired On Lease / Hire Purchase :

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

1.6 Impairment of Assets :

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

1.7 Investments :

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

1.8 Inventories :

- i. Raw materials, Packing materials and Fuels - 'At cost' or net realisable value, whichever is lower, derived on moving weighted average basis.
- 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' or net realisable value, whichever is lower, 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 recognised on transfer of significant risks and rewards of ownership of the goods to the customer on dispatch of goods. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 render the related service.
- ii. Defined benefit plan - Gratuity : In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an 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 render the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent Actuarial valuation.

1.13 Borrowing Costs :

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.

1.14 Segment Reporting Policies:

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

1.15 Taxation :

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

1.16 Provisions, Contingent Liabilities and Contingent Assets :

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Share Capital

	As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ in lacs	Numbers	₹ in lacs
Authorised				
Equity Shares, of ₹ 10 par value	195,000,000	19,500.00	130,000,000	13,000.00
Preference Shares, of ₹ 100 par value #	Nil	Nil	6,000,000	6,000.00
Unclassified Shares, of ₹ 10 par value #	Nil	Nil	5,000,000	500.00
# (Reclassified to Equity Shares during the year)		<u>19,500.00</u>		<u>19,500.00</u>
Issued				
Equity Shares, of ₹ 10 par value	69,206,334	6,920.63	69,206,334	6,920.63
		<u>6,920.63</u>		<u>6,920.63</u>
Subscribed				
Equity Shares, of ₹ 10 par value				
Subscribed and Fully Paid Up	69,191,065	6,919.11	51,191,065	5,119.11
Subscribed but Not Fully Paid Up	Nil	Nil	18,000,000	900.00
(₹ 5 per share paid up as at March 31, 2016)				
	69,191,065	6,919.11	69,191,065	6,019.11
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)				
		<u>6,919.42</u>		<u>6,019.42</u>

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ in lacs	Numbers	₹ in lacs
a. Equity Shares, of ₹ 10 par value				
At the beginning	69,191,065	6,019.11	51,191,065	5,119.11
Changes during the year -				
Call Money / allotment	Nil	900.00	18,000,000	900.00
At the end	<u>69,191,065</u>	<u>6,919.11</u>	<u>69,191,065</u>	<u>6,019.11</u>
b. Preference Shares, of ₹ 100 par value				
At the beginning	Nil	Nil	687,595	687.60
Changes during the year - Redeemed	Nil	Nil	(687,595)	(687.60)
At the end	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

2.2 Rights, Preferences and Restrictions

a. Equity Shares

- i. The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. With effect from, April 1, 2016, final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company. Board of Directors has recommended equity dividend of ₹ 1 per share of face value of ₹ 10 each, for the year ended March 31, 2017.
- iii. Dividend at ₹ 1 per share (including on partly paid-up equity shares on pro-rata basis) was declared for the year ended March 31, 2016. The total dividend appropriation for the year ended March 31, 2016 was ₹ 658.26 lacs including corporate dividend tax of ₹ 111.34 lacs.
- iv. 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

b. Preference Shares :

- i. The Company had only one class of preference shares as 13% Optionally Convertible Cumulative Preference Shares (OCCPS) having a par value of ₹ 100, which were redeemed on March 10, 2016.
- ii. OCCPS carried a fixed cumulative dividend of 13% p.a. from the date of issue. The holders of OCCPS carried a right to dividend ahead of equity share holders.
- iii. In the event of liquidation, the holders of OCCPS carried preference over equity shareholders in respect of repayment of capital.
- iv. During the year ended March 31, 2016, the Company paid interim dividend on preference shares including arrears thereof. The total dividend appropriation uptill the year ended March 31, 2016 amounted to ₹ 1228.18 lacs, including corporate dividend tax of ₹ 207.74 lacs.
- v. 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, had surrendered their right in the redemption, including the preference dividend thereon for the benefit of the Company, and on redemption, based on a legal advice received the aforesaid amount was transferred to Capital Reserve for the year ended March 31, 2016.

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	%	Numbers	%
Equity Shares				
Villa Trading Company Private Limited	14,158,167	20.46%	14,158,167	20.46%
Parsec Enterprises Private Limited	13,538,370	19.57%	13,538,370	19.57%
TransAsia Investments And Trading Limited	8,000,000	11.56%	8,000,000	11.56%
Jagmi Investments Limited	5,175,000	7.48%	5,175,000	7.48%
Sampson Limited	4,000,000	5.78%	4,000,000	5.78%

3 Reserves and Surplus

	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
Capital Reserve - As at the beginning	2,782.52	2,607.96
Add: Surrender of OCCPS in favour of Company	<u>Nil</u>	<u>174.56</u>
As at the end of the year	2,782.52	2,782.52
Capital Redemption Reserve - As at the beginning	737.60	50.00
Add: Transferred from General Reserve on redemption of OCCPS	<u>Nil</u>	<u>687.60</u>
As at the end of the year	737.60	737.60
Securities Premium Account	10,566.71	10,566.71
Debenture Redemption Reserve - As at the beginning	Nil	2,060.00
Less: Transferred to General Reserve as debentures are fully redeemed	<u>Nil</u>	<u>2,060.00</u>
As at the end of the year	Nil	Nil
Revaluation Reserve - As at the beginning	221.06	238.45
Less: Transferred to General Reserve *	<u>Nil</u>	<u>17.39</u>
Less: Reversals to PPE's [Refer Note 11(i)]	<u>221.06</u>	<u>Nil</u>
As at the end of the year	Nil	221.06

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
General Reserve - As at the beginning	5,786.29	4,396.50
Add: Transferred from Debenture Redemption Reserve	Nil	2,060.00
Add: Transferred from Revaluation Reserve *	Nil	17.39
Less: Transferred to Capital Redemption Reserve on OCCPS Redemption	<u>Nil</u>	<u>687.60</u>
As at the end of the year	5,786.29	5,786.29
Surplus / (Deficit)		
Balance in the Statement of Profit and Loss		
Balance as at the beginning	581.20	(1,910.25)
Add: Transferred from the Statement of Profit and Loss	963.58	4,377.89
Less: Appropriations		
Interim Preference Dividend paid on OCCPS	Nil	1,020.44
Dividend Distribution Tax on Preference Dividend	Nil	207.74
Proposed Equity Dividend	** Nil	546.92
Dividend Distribution Tax on Proposed Equity Dividend	<u>** Nil</u>	<u>111.34</u>
Credit / (Debit) balance as at the end of the year	<u>1,544.78</u>	<u>581.20</u>
	<u>21,417.90</u>	<u>20,675.38</u>

* For the year ended March 31, 2016, as suggested in the Application Guide on the Provisions of Schedule II to The Companies Act, 2013 issued by ICAI the amount of depreciation on the amount of revalued Property, Plant and Equipments was withdrawn and transferred to General Reserve.

** [Refer Note 2.2.(a)(ii)]

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
4 Long-term Borrowings		
Secured		
Term Loans		
From Banks	56.83	65.71
From Others	<u>155.35</u>	<u>54.40</u>
	<u>212.18</u>	<u>120.11</u>

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

B. Security and Repayment Terms:

	As at March 31, 2017		As at March 31, 2016	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
I. Breakup of borrowings:				
a. Term Loans from Banks - Vehicles	56.83	8.88	65.71	8.03
b. Term Loans from Others - Vehicles	<u>155.35</u>	<u>43.51</u>	<u>54.40</u>	<u>11.88</u>
	<u>212.18</u>	<u>52.39</u>	<u>120.11</u>	<u>19.91</u>

II. Security and Repayment Terms:

- i. Borrowings at part I (a) and (b) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed there under.
- ii. The restructured loans fully repaid in earlier years including FITL are subject to recompense clause as may be approved by the Corporate Debt Restructuring Cell constituted as per the relevant Reserve Bank of India Guidelines.



NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
5 Other Long-term Liabilities		
Security Deposits from Customers / Transporters	972.73	881.77
	<u>972.73</u>	<u>881.77</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
6 Long-term Provisions		
For Employee Benefits - Gratuity and Compensated absences (Refer Note 33)	1,097.25	1,027.87
	<u>1,097.25</u>	<u>1,027.87</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
7 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits (including packing credits) *	Nil	454.64
Overdraft against Pledge of Bank Fixed Deposits	1,462.02	1,337.38
	<u>1,462.02</u>	<u>1,792.02</u>
7.1 Security:		
* The Working capital facilities are secured by first charge by way of hypothecation of current assets, namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both, present and future. It is also secured by second mortgage and charge on the Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Company.		
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
8 Trade Payables		
Amounts Payable to a Related Party [Refer Note 35.2(iv)(d)]	Nil	23.25
Others	4,819.11	2,715.55
	<u>4,819.11</u>	<u>2,738.80</u>
8.1 "Others" includes dues to small and medium enterprises, which require the following disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :		
i. Principal amount remaining unpaid and interest thereon	1.07	1.07
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	Nil	Nil
iv. Interest accrued and remaining unpaid	Nil	Nil
v. Interest due and payable even in succeeding years	1.07	1.07
The above information has been determined to the extent such parties could be identified on the basis of information available with the company regarding the status of suppliers under the MSME.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
9 Other Current Liabilities		
Current Maturities of Long-term Debt *		
Term Loans		
From Banks	8.88	8.03
From Others	43.51	11.88
	<u>52.39</u>	<u>19.91</u>
Unpaid Dividends	2.88	Nil
Unclaimed Share Application Money	14.48	14.48
Amounts Payable on Redemption of Preference Shares	0.64	0.93
Statutory Dues	3,981.13	3,898.56
Advances from Customers	1,463.88	1,100.80
Book Overdraft on Current Account	1.44	Nil
Other Payables		
Creditors for Capital Items	249.02	115.79
Liabilities for Expenses at the year-end	1,562.68	1,821.25
Remuneration Payable to Key Managerial Personnel [Refer Note 35.2(ii)(c&d)]	31.22	28.75
Advance against Sale of Asset held for Disposal	160.00	Nil
Others - Employee Monies	92.26	86.35
	<u>2,095.18</u>	<u>2,052.14</u>
	<u><u>7,612.02</u></u>	<u><u>7,086.82</u></u>
9.1 *[Refer Note 4.1 (B)] for security given.		

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
10 Short-term Provisions		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 33)	264.96	246.70
Others		
Provision for Taxation	3,757.17	3,415.82
Less: Taxes paid	3,757.17	3,218.21
	<u>Nil</u>	<u>197.61</u>
Excise duty on Stocks	53.78	53.14
Proposed Equity Dividend *	Nil	546.92
Tax on Proposed Equity Dividend *	Nil	111.34
* [Refer Note 2.2(a)(ii)]	<u>Nil</u>	<u>658.26</u>
	<u>53.78</u>	<u>909.01</u>
	<u><u>318.74</u></u>	<u><u>1,155.71</u></u>

Notes forming part of financial statements
11 Property, Plant and Equipment, etc.

[Refer Note (i)]	Gross Block		Depreciation, Amortisation and Impairment		Net Block		
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	Up to March 31, 2017	As at March 31, 2016	As at March 31, 2017
Property, Plant and Equipment							
Freehold Land	239.08	Nil	238.55	0.53	Nil	Nil	239.08
[Refer Note (ii)]	239.08	Nil	Nil	239.08	Nil	Nil	239.08
Leasehold land	21.45	Nil	21.16	0.29	Nil	Nil	21.45
[Refer Note (iii)]	21.45	Nil	Nil	21.45	Nil	Nil	21.45
Buildings and Jetty	7,348.46	209.43	595.56	6,962.33	113.67	396.06	3,439.99
[Refer Note (iv)]	6,265.51	1,082.95	Nil	7,348.46	3,808.39	Nil	3,439.99
Plant and Equipment	46,905.28	621.01	5,468.35	42,057.94	32,003.92	5,360.96	14,901.36
[Refer Note (v)]	44,906.96	1,998.32	Nil	46,905.28	31,169.44	Nil	14,901.36
Furniture and Fixtures	1,282.28	307.55	4.48	1,585.35	913.42	2.80	368.85
	1,243.95	74.21	35.89	1,282.27	845.59	17.38	398.37
Vehicles	1,687.07	348.20	123.61	1,911.67	803.62	64.70	883.46
	1,465.24	464.99	243.15	1,687.08	800.57	120.42	664.67
Office Equipment	709.02	181.03	7.33	882.72	471.32	2.40	237.70
	590.34	130.94	12.25	709.03	404.74	7.13	185.61
Railway siding, weighbridge, rolling stock and locomotives	281.56	135.81	122.39	294.98	271.86	123.26	9.70
	281.56	Nil	Nil	281.56	271.00	Nil	10.56
Current Year	58,474.21	1,803.03	6,581.43	53,695.81	38,372.62	5,950.18	20,101.59
Previous Year	55,014.09	3,751.41	291.29	58,474.21	37,299.73	144.93	20,101.59
Intangible Assets - Other than internally generated							
Computer softwares							
Current Year	263.21	8.31	Nil	271.52	227.26	Nil	35.95
Previous Year	261.75	1.46	Nil	263.21	176.44	Nil	35.95
Capital work-in-progress							
Tangible Capital WIP							
[Refer Note (vi)]							
Current Year	8,376.82	943.17	2.56	9,317.43	4,419.10	Nil	3,957.72
Previous Year	9,679.45	1,451.31	2,753.94	8,376.82	4,419.10	Nil	3,957.72
Grand Total							
Current Year	67,114.24	2,754.51	6,583.99	63,284.76	43,018.98	1,417.03	24,095.26
Previous Year	64,955.29	5,204.18	3,045.23	67,114.24	41,895.27	144.93	24,095.26

NOTES FORMING PART OF FINANCIAL STATEMENTS

- i. Since the adoption of cost model as its accounting policy as specified in the transitional provisions of Accounting Standard 10 on "Property, Plant and Equipment", introduced by the Companies (Accounting Standards) Amendment Rules, 2016, the earlier revaluations (net of depreciation on revalued amounts) of ₹ 221.06 lacs reflected in the carrying amount of items of Property, Plant and Equipment, as detailed here in below, is adjusted to Revaluation Reserve. Further, due to the said adjustment as per the transitional provisions, depreciation for the year is lower by ₹ 17.39 lacs and the net profit for the year is higher by the like amount. Accordingly, Gross Block includes ₹ Nil (Previous year ₹ 4061.10 lacs) added on revaluation of the Company's freehold and leasehold land, buildings, plant and machinery situated at Ranavav in order to reflect a realistic position of the net replacement cost of such assets, on the basis of valuation made by an external valuer, which had resulted in a net increase of ₹ 5722.61 lacs, as at June 30, 1993.

The deductions under the PPE block include the following on revaluation reversals;

Particulars	Gross Block	Depreciation Block	₹ in lacs
			Net Written Down Value
a. Freehold Land	1.26	Nil	1.26
b. Leasehold Land	21.16	Nil	21.16
c. Buildings and Jetty	595.56	396.92	198.64
d. Plant and Equipments	3,320.73	3,320.73	Nil
e. Railway siding, weighbridge, rolling stock and locomotives	122.39	122.39	Nil
	<u>4,061.10</u>	<u>3,840.04</u>	<u>221.06</u>

- ii. The deductions under the gross block of freehold land includes ₹ 237.29 lacs of a certain land which is held for disposal. The same is classified under other current assets at Note 20.
- iii. Besides the land specified above, the Company holds other leasehold land for which the only ground rent is payable.
- iv. Buildings and Jetty includes a Private Jetty having a gross block of ₹ 2411.45 lacs (Net block ₹ 120.57 lacs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The license period of 15 years from October 2000 has expired and the Company has requested for the renewal of the agreement, which is pending.
- v. 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.
- vi. **Impairment of Assets :**

- a. The Company had incurred an aggregate sum of ₹ 8107.17 lacs (Previous Year ₹ 8107.17 lacs) towards Expansion Project Assets, and reflected the same under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. However, later on in the year 2005, due to several adversities, the project was suspended.

	As at	As at
	March 31, 2017	March 31, 2016
	₹ in lacs	₹ in lacs
b. Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	320.40	320.40
Employee Cost	144.56	144.56
Interest and Finance Cost	3,104.18	3,104.18
Traveling and Conveyance	227.48	227.48
Exchange Rate Fluctuation	42.43	42.43
Transportation Charges	19.96	19.96
Miscellaneous	59.97	59.97
	<u>3,918.98</u>	<u>3,918.98</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

- c Though earlier, the Company had decided to dispose of the Expansion Project Assets, through the Asset Sale Committee (ASC) constituted under the aegis of BIFR, subject to necessary approvals of the Company's Lenders / BIFR, at present it is not highly probable that those assets will be sold within the foreseeable future, at the year end. Accordingly, based on the assessment of recoverable amount (net selling price) of those assets, as per the valuation report obtained from a project consultant, which is not materially varying from the amount determined in the earlier year, no further adjustment to impairment is considered necessary for the year ended March 31, 2017. As at the year end, the aggregate provision for impairment of ₹ 4419.10 lacs, made is continued. This provision is as required under Accounting Standard 28 on "Impairment of Assets".

		As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
12 Non-current Investments			
Long-term Investments			
Valued at cost less provision for other than temporary diminution			
Trade Investments			
In Equity Instruments of Subsidiaries			
Unquoted			
(Fully paid equity shares of ₹ 10 each)			
Quantity Investee company			
1,00,00,000 Pranay Holdings Limited		1,000.00	1,000.00
1,00,00,000 Prachit Holdings Limited		1,000.00	1,000.00
1,00,00,000 Ria Holdings Limited		1,000.00	1,000.00
40,00,000 Reeti Investments Private Limited		400.00	400.00
4,04,100 Agrima Consultants International Limited		135.68	135.68
1,49,272 Concorde Cement (Private) Limited (Srilankan Rupee)		9.19	9.19
		3,544.87	3,544.87
Less: Provision for diminution in value		1,712.50	1,712.50
		1,832.37	1,832.37
Other than Trade			
In Equity Instruments of Others			
Quoted			
(Fully paid equity shares of ₹ 10 each)			
Quantity Investee company			
70,500 MTZ Industries Limited		35.25	35.25
30,00,000 MTZ Polyfilms Limited		600.00	600.00
200 Dena Bank Limited		0.06	0.06
		635.31	635.31
Less: Provision for diminution in value		588.75	588.75
		46.56	46.56
Unquoted			
Quantity Investee company	Face Value		
	₹ per share		
2,001 Rajkot Nagrik Sahakari Bank Limited	50.00		
2,500 Saraswat Co-op Bank Limited	10.00	1.25	1.25
		47.81	47.81
		1,880.18	1,880.18

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017		As at March 31, 2016	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted investments	635.31	39.56	635.31	39.54
Aggregate amount of unquoted investments	3,546.12	Nil	3,546.12	Nil
Aggregate provision on non current investments	4,181.43		4,181.43	
	2,301.25		2,301.25	

	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
13 Deferred Tax Assets (net)		
Deferred Tax Assets		
i. Accrued expenses deductible on cash basis	1,634.25	1,556.57
ii. Accrued expenses deductible on payment of TDS thereon	Nil	137.86
iii. Provision for Impairment	1,529.36	1,529.36
Closing balance	3,163.61	3,223.79
Deferred Tax Liabilities		
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 2013	3,113.15	2,926.80
	50.46	296.99

	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
14 Long-term Loans and Advances		
Unsecured - considered good		
Capital Advances	666.99	385.55
Security Deposits	302.01	320.13
Loans and Advances to Related Parties - to Subsidiaries		
Interest-free Deposit to Reeti Investments Private Limited*	34.40	34.40
Other Receivables [Refer Note 35.2(i)(a)]	196.18	195.17
	230.58	229.57
Other Loans and Advances		
Predeposit Balances with Statutory / Government Authorities against Appeals	116.95	113.73
Taxes Paid (Net of Provision of ₹ 343.23 lacs, Previous Year ₹ 1485.24 lacs)	533.62	115.93
	650.57	229.66
	1,850.15	1,164.91

* For business purposes.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
14.1 Disclosure as per Regulations 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		
a. Loans and Advances in the nature of loans to subsidiaries:		
Name of the Subsidiary Company		
Agrima Consultants International Limited	186.55	186.11
Prachit Holdings Limited	2.71	2.40
Reeti Investments Private Limited	6.92	6.66
b. Deposits		
Name of the Subsidiary Company		
Reeti Investments Private Limited	34.40	34.40
- The above Wholly-owned Subsidiary Companies		
- The above outstanding amounts are also the maximum amount outstanding during the year		
c. The loanees have not made any investment in the shares of the Company		
	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
14.2 Information on advances in the nature of loans given pursuant to Section 186(4) of the Companies Act, 2013		
a. Particulars of Loans given by Company		
Name of the Subsidiary Company	Rent of interest	
Prachit Holdings Limited	10% p.a.	0.81
Reeti Investments Private Limited	10% p.a.	0.75
- The loans have been given to meet companies requirement for incurring expenses.		Nil
- As legally advised, the provisions of Section 186 of the Companies Act, 2013 are not applicable to the loans given prior to the commencement of the Act and accordingly, the disclosure here-in-above is made in respect of loans given thereafter.		Nil
b. Particulars of Investments - Refer Note 12 on Non-current Investments.		
c. There is no guarantee given or security provided by the Company in accordance with Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 issued thereunder.		
15 Other Non-current Assets	As at March 31, 2017	As at March 31, 2016
	₹ in lacs	₹ in lacs
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	154.49	157.27
Less: Provision for Bad and Doubtful Debts	154.49	157.27
	Nil	Nil
Deposits with Banks		
Held as Margin Money		
Maturity beyond 12 months from the Balance Sheet Date	68.59	12.16
	<u>68.59</u>	<u>12.16</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
16 Inventories		
Raw Materials	938.67	762.66
Packing Materials	154.96	121.96
Work-in-progress	513.27	561.82
Finished Goods	572.89	735.85
Fuels	2,122.97	716.77
Stores and Spare Parts	1,766.94	1,900.82
Stores and Spare Parts in-transit	11.02	29.01
	<u>1,777.96</u>	<u>1,929.83</u>
	<u>6,080.72</u>	<u>4,828.89</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
17 Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	199.49	251.82
Others		
Amounts Receivable from a related party [Refer Note 35.2(iv)(d)]	136.80	Nil
Others	1,114.43	1,153.36
	<u>1,251.23</u>	<u>1,153.36</u>
	<u>1,450.72</u>	<u>1,405.18</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
18 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	541.29	311.89
Cash on Hand	Nil	3.53
	<u>541.29</u>	<u>315.42</u>
Other Bank Balances		
Earmarked Balances		
For Unpaid Dividend (Equity and Preference)	2.88	Nil
For Redemption of Preference Shares	0.64	0.93
For Money received on Issue	0.14	0.14
	<u>3.66</u>	<u>1.07</u>
Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
Held as Margin Money	225.12	55.06
Held as Security against Overdraft facilities	3,531.11	2,770.00
Others	2,666.43	3,247.10
	<u>6,422.66</u>	<u>6,072.16</u>
	<u>6,967.61</u>	<u>6,388.65</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

18.1 Disclosure on Specified Bank Notes (SBNs)

The disclosure of Specified Bank Notes (SBNs) held by the Company as on November 8, 2016 and transacted during the period from November 8, 2016 to December 30, 2016 as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is given below:

Particulars	SBNs	Other denomination notes	₹ in lacs
			Total
Closing cash in hand as on November 8, 2016	4.75	0.79	5.54
(+) Permitted receipts	Nil	17.40	17.40
(-) Permitted payments	Nil	14.16	14.16
(-) Amount deposited in Banks	4.75	0.74	5.49
Closing cash in hand as on December 30, 2016	Nil	3.29	3.29

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
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19 Short-term Loans and Advances

Unsecured, considered good

Loans and Advances to related party

Travelling Advance Due from a Director
[Refer Note 35.2(ii)(e)]

16.61 Nil

Other Loans and Advances

Balances with Statutory / Government Authorities

559.90 573.51

Advances Against Purchase of Stores

360.34 292.47

Prepaid Expenses

117.00 112.21

Others

67.49 50.98

1,121.34 1,029.17

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
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20 Other Current Assets

Unsecured, Considered Good

Asset held for Disposal [Refer Note 11(ii)]

237.29 Nil

Export Benefits Receivable

Nil 14.97

Interest and Other Receivable

325.38 381.54

562.67 396.51

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
21	Revenue from Operations		
	Sale of Products		
	Manufactured Goods	52,536.23	57,725.58
	Traded Goods	<u>210.76</u>	<u>986.05</u>
		52,746.99	58,711.63
	Other Operating Revenues		
	Sale of Power	563.18	195.87
	Sale of Scrap	207.24	159.27
	Export Entitlements	<u>39.79</u>	<u>157.85</u>
		810.21	512.99
		53,557.20	59,224.62
	Less: Excise Duty	<u>6,069.45</u>	<u>6,254.50</u>
		47,487.75	52,970.12
	Details of Products Sold		
	Sale of Manufactured Goods		
	Cement	52,536.23	57,191.60
	Clinker	Nil	533.98
		<u>52,536.23</u>	<u>57,725.58</u>
	Sale of Traded Goods		
	Cement	<u>210.76</u>	<u>986.05</u>
		210.76	986.05
		485.38	320.51
22	Other Income		
	Interest Income on		
	Fixed Deposits with Banks	474.44	300.70
	Fixed deposits with a State Financial Corporation	Nil	12.93
	Interest Receivable from Subsidiaries (Refer Note 35.2.i.d)	0.12	Nil
	Others	<u>10.82</u>	<u>6.88</u>
		485.38	320.51
	Dividends Income from Long-term Investments - others	0.04	0.04
	Miscellaneous Income (including overheads shared)	80.96	126.73
	Net Gain on Foreign Currency Transactions and Translation	97.45	0.61
	Insurance Claims	2.03	11.47
	Bad Debts Recovered	0.49	0.74
	Provision for Doubtful Debts no longer required	2.78	10.01
	Excess Provision Written Back	180.98	805.80
	[includes a sum of ₹ Nil (Previous Year ₹ 448.75 lacs) written back of arrears of rent and interest provided in earlier years based on an order of Hon'ble BIFR]		
	Trade / Other Payables Written Back	<u>213.54</u>	<u>4.66</u>
		1,063.65	1,280.57



NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
23 Cost of Materials Consumed			
Raw Materials			
Opening Stock of Raw Materials	762.66		1,077.07
Add: Purchases	2,273.06		2,534.47
	<u>3,035.72</u>		<u>3,611.54</u>
Less: Closing Stock of Raw Materials	<u>938.67</u>		<u>762.66</u>
		2,097.05	2,848.88
Packing Materials			
Opening Stock of Packing Materials	121.96		139.51
Add: Purchases	1,509.51		1,458.78
	<u>1,631.47</u>		<u>1,598.29</u>
Less: Closing Stock of Packing Materials	<u>154.96</u>		<u>121.96</u>
		<u>1,476.51</u>	<u>1,476.33</u>
		<u>3,573.56</u>	<u>4,325.21</u>
Details of Raw Materials Consumed			
Gypsum		674.89	719.54
Fly Ash		1,104.01	1,071.55
Iron Sludge		118.24	214.91
Clinker Purchased		46.33	675.17
Others		<u>153.58</u>	<u>167.71</u>
		<u>2,097.05</u>	<u>2,848.88</u>
24 Purchases of Stock-in-trade		For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
Purchases of Traded Goods			
Cement		<u>203.86</u>	<u>805.80</u>
		<u>203.86</u>	<u>805.80</u>
25 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
Stocks at the end			
Finished Goods - Cement	572.89		735.85
Work-in-progress - Raw Flour and Clinker	<u>513.27</u>		<u>561.82</u>
		1,086.16	1,297.67
Less: Stocks at the Beginning			
Finished Goods - Cement	735.85		1,012.22
Work-in-progress - Raw Flour and Clinker	<u>561.82</u>		<u>1,096.30</u>
		<u>1,297.67</u>	<u>2,108.52</u>
		<u>211.51</u>	<u>810.85</u>
Increase in Excise Duty on Stocks		<u>0.63</u>	<u>(169.92)</u>
		<u>212.14</u>	<u>640.93</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
26 Employee Benefits Expense		
(Refer Note 28.1)		
Salaries, Wages and Bonus	3,424.00	3,377.97
Contribution to Provident and Other Funds	207.09	199.20
Gratuity Expense	144.18	187.35
Staff Welfare Expenses	149.88	145.89
	<u>3,925.15</u>	<u>3,910.41</u>
27 Finance Costs		
Interest expense		
On Borrowings	121.64	65.16
On Custom Duty, Service Tax and Income Tax	85.07	228.64
On Others	158.08	185.94
	<u>364.79</u>	<u>479.74</u>
Other Borrowing Costs	0.62	0.93
	<u>365.41</u>	<u>480.67</u>
28 Other Expenses		
Stores and Spare Parts Consumed	4,583.73	4,540.82
Power and Fuel	12,919.11	11,992.89
Rent	263.79	248.70
Repairs and Maintenance:		
Buildings, etc.	332.23	498.35
Machinery	2,398.95	2,391.81
Others	719.70	530.81
	<u>3,450.88</u>	<u>3,420.97</u>
Insurance	115.80	137.08
Rates and Taxes	64.36	54.66
Raw Material Handling Charges [Refer Note 28.1(a)]	591.31	511.27
Limestone / Marl Raising Charges [Refer Note 28.1(a)]	810.72	835.50
Royalty and Cess [Refer Note 28.1(a)]	1,785.23	1,826.95
Advertisement and Business Promotion Expenses	1,581.44	2,002.34
Freight and Handling Expenses	7,960.32	8,681.37
Commission	851.38	805.95

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
Directors' Fees	31.40	41.80
Charity and Donation	12.50	28.65
Traveling and Conveyance	416.26	259.50
Legal and Professional Charges	331.06	357.59
Auditor's Remuneration		
Audit Fees	10.50	9.00
Tax Audit Fees	2.66	2.65
For Other Services - Certification Work	5.42	4.03
	18.58	15.68
Provision for Doubtful Debts / Advance	24.46	Nil
Loss on Sale of Assets (Net)	66.45	62.24
Corporate Social Responsibility (CSR) Expenditure [Refer Note 31]	91.66	22.48
Miscellaneous Expenses	1,372.26	1,158.78
Cost of Cement Self Consumed [Refer Note 28.1 (b)]	(42.92)	(20.58)
	37,299.78	36,984.64
28.1 a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) as incurred on cost of raising and transporting limestone / marl are as under:		
Salaries, Wages and Bonus	130.28	149.17
Stores and Spare Parts Consumed	370.90	403.06
Repairs and Maintenance to Machinery	79.92	61.78
Raw Material Handling Charges	455.01	382.88
Limestone / Marl Raising Charges	810.72	835.50
Royalty and Cess	1,781.40	1,815.94
	3,628.23	3,648.33
b. Cost of cement self consumed also includes other material costs and depreciation.		
	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
29 Exceptional Items		
Amount forfeited against Sale of Flats (Refer Note 29.1 below)	Nil	1,037.00
	Nil	1,037.00
29.1 For the year ended March 31, 2016, an amount of ₹ 1037.00 lacs, which was received for the sale of flats in an earlier year, but was forfeited due to non-compliance of the terms and conditions of the tender by the bidder.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
30 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax liabilities	101.42	101.42
ii. Excise Duty	884.61	718.77
iii. Service Tax	2.39	2.39
iv. Royalty	15.12	15.12
v. Customs Duty	20.00	20.00
vi. Claims filed by workmen or their union against the Company	58.19	64.75
vii. On account of Power Supply	440.99	440.99
viii. Refer Note 29.1, wherein the aggrieved buyer has disputed the sale of a flat to another person. The said matter is under dispute and the outcome / impact of which on the Company is presently unascertainable.		
ix. Other demands and claims	44.66	20.55
The amounts stated are including interest and penalty, to the extent demanded.		
b. Other money for which the Company is contingently liable;		
i. The impact / outcome of recompense clause as detailed in Note 4.1 (B) (II) (ii), in respect of the restructured loans on the Company is presently unascertainable.		
ii. Maximum possible obligation on reward points on sale ₹ Nil (Previous Year ₹ 89.72 lacs).		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 705.97 lacs, previous Year ₹ 387.57 lacs).	1,999.97	1,249.51
	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
31 Corporate Social Responsibility (CSR)		
Gross amount required to be spent by the Company during the year	78.44	38.98
Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Vocational Training	6.00	Nil
Rural Development	6.96	Nil
Promoting Preventive Health Care and Sanitation	7.67	7.67
Education Promotion	71.03	14.81
	<u>91.66</u>	<u>22.48</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs		For the Year ended March 31, 2016 ₹ in lacs	
32 Additional Information to the Statement of Profit and Loss				
i. Value of imports calculated on CIF basis				
a. Raw materials		536.40		851.94
b. Fuel		4,404.99		1,558.31
c. Components and Spare Parts		294.23		210.57
d. Capital Goods		211.56		211.06
ii. Expenditure in Foreign Currency				
a. Traveling Expenses		71.81		13.90
b. Commission on Exports		Nil		6.67
c. Sea Freight and Demurrage		22.14		2.13
d. Professional Fees		18.99		21.89
e. License / Registration of Trade Mark Fees		2.27		0.56
f. Repairs and Maintenance - Others		75.32		Nil
g. Business Promotion Expenses		28.93		Nil
h. Others		3.50		3.14
		For the year ended March 31, 2017		For the year ended March 31, 2016
	₹ in lacs	%	₹ in lacs	%
iii. Value of Imported / Indigenous Consumption				
Raw materials				
a. Imported	640.25	11.18%	647.70	9.97%
b. Indigenous	5,085.03	88.82%	5,849.51	90.03%
	5,725.28	100.00%	6,497.21	100.00%
Spare Parts and Components				
a. Imported	340.60	7.43%	332.69	7.33%
b. Indigenous *	4,243.13	92.57%	4,208.13	92.67%
* Includes amounts directly debited to various account heads	4,583.73	100.00%	4,540.82	100.00%
iv. Earnings in Foreign Currency				
a. Exports on FOB basis	2,746.33		8,787.11	
b. Despatch Money on Export of Goods	Nil		15.25	

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
	Compensated Absences		Gratuity	
33 Employee benefits				
i. Changes in Present Value of Obligations:				
Present Value of Obligation at the beginning	338.89	317.17	958.47	856.39
Current Service Cost	29.72	22.38	37.59	35.29
Interest Cost	26.47	25.22	74.86	68.08
Actuarial (Gain) / Loss on obligations	59.72	16.27	17.87	83.00
Benefits paid	(63.44)	(42.15)	(78.59)	(84.29)
Present value of Obligation as at the end	<u>391.36</u>	<u>338.89</u>	<u>1,010.20</u>	<u>958.47</u>
ii. Changes in Fair Value of Plan Assets :				
Fair value of Plan Assets at the beginning	Not Applicable		22.79	4.16
Expected return on Plan Assets	Not Applicable		1.78	0.33
Contributions	Not Applicable		92.67	102.75
Benefits paid	Not Applicable		(78.58)	(84.29)
Actuarial Gain / (Loss) on Plan Assets	Not Applicable		0.68	(0.16)
Fair value of Plan Assets as at the end	Not Applicable		<u>39.34</u>	<u>22.79</u>
iii. The amount recognised in Balance Sheet				
Gross value of present Obligation at the end	391.36	338.89	1,010.20	958.47
Fair Value of Plan Assets at the end	Nil	Nil	39.34	22.79
Net (Liability) recognised in Balance sheet	<u>391.36</u>	<u>338.89</u>	<u>970.86</u>	<u>935.68</u>
iv. Amount recognised in the Statement of Profit and Loss				
Current Service Cost	29.72	22.38	37.59	35.29
Interest Cost	26.47	25.22	74.86	68.08
Expected return on Plan Assets	Nil	Nil	(1.78)	(0.33)
Net actuarial (Gain) / Loss recognised in the year	<u>59.72</u>	<u>16.27</u>	<u>17.19</u>	<u>83.16</u>
Expenses Recognised in the statement of Profit and Loss	<u>115.91</u>	<u>63.87</u>	<u>127.86</u>	<u>186.20</u>
v. Category of Assets				
Insurer Managed Funds	Not Applicable		39.34	22.80
vi. Assumptions				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	7.51%	7.81%	7.51%	7.81%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		7.81%	7.81%
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.				
viii. The Company expects to contribute a sum of ₹ 124.34 lacs (Previous Year ₹ 120.13 lacs) towards gratuity during the year ended March 31, 2017.				
ix. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical return on the plan assets. The same are disclosed hereunder to the extent available.				

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars - Gratuity	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
Experience Adjustments					
On plan liability (gain) / loss	4.31	76.63	53.55	24.95	38.19
On plan assets (gain) / loss	(0.68)	(0.16)	(0.56)	0.03	(0.11)
Present value of benefit obligation	1,010.20	958.46	856.38	729.25	713.99
Fair value of plan assets	39.34	22.80	4.16	6.44	3.88
Excess of obligation over plan assets	970.86	935.66	852.22	722.81	710.11

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
34 Segment Reporting		
The Company has only one business segment 'cement / clinker' as primary segment. The secondary segment is geographical segment which is given below :		
Domestic revenues (net of excise duty)	43,925.14	43,670.02
Exports - International markets	2,752.40	8,787.11
Total	46,677.54	52,457.13

All the assets of the Company are in India only.

35 Related Party Disclosures

35.1 List of related parties:

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

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

ii. Subsidiary Companies :

- | | |
|---|--------------------------------------|
| a. Agrima Consultants International Limited | d. Ria Holdings Limited |
| b. Pranay Holdings Limited | e. Reeti Investments Private Limited |
| c. Prachit Holdings Limited | f. Concorde Cement (Private) Limited |

NOTES FORMING PART OF FINANCIAL STATEMENTS

iii. Key Management Personnel :

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

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

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

v. Enterprise having Key Management Personnel in common:

- a. Gujarat Sidhee Cement Limited

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
--	--	--

35.2 Transactions with related parties:

i. Transactions and Balances with subsidiary companies:

a.	Amount Receivable from subsidiaries as at the year-end		
i.	Agrima Consultants International Limited	186.55	186.11
ii.	Prachit Holdings Limited	2.71	2.40
iii.	Reeti Investments Private Limited	6.92	6.66
b.	Deposits with Reeti Investments Private Limited	34.40	34.40
c.	Expenses reimbursements to 35.2 (i) (a) (i) above	15.17	14.91
d.	Interest Receivable from Subsidiaries		
i.	Prachit Holdings Limited	0.06	Nil
ii.	Reeti Investments Private Limited	0.06	Nil

ii. Payments to Key Managerial Personnel and Balances Outstanding:

a.	Remuneration to Mr. Jay M Mehta	240.15	228.01
b.	Remuneration to Mr. M S Gilotra	168.41	163.23
c.	Remuneration payable to Mr. M S Gilotra	14.45	18.46
d.	Remuneration payable to Mr. Jay M Mehta	16.77	10.29
e.	Travelling Advance to Mr. Jay M Mehta	16.61	Nil

iii. Payments to relatives of Key Managerial Personnel:

a.	Directors sitting fees to Mr. Mahendra N Mehta	2.50	1.50
b.	Deposits with Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
c.	Rent to Mrs. Narinder Kaur	9.00	9.00

iv. Transactions with Gujarat Sidhee Cement Limited

a.	Purchase of goods and materials	256.28	1,432.16
b.	Sale of goods, materials and power	559.80	194.91
c.	Expenses / (Recovery) for services (net)	(61.91)	(118.77)
d.	Amount payable / (receivable) at the year-end	(136.80)	23.25

, Transactions with Sameta Exports Pvt. Limited and Pallor Trading Co. Pvt. Limited

a.	Payment on redemption of OCCPS	Nil	512.58
b.	Interim Preference Dividend paid on OCCPS	Nil	1,019.53



NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
36 Earnings Per Share		
Weighted average number of equity shares of ₹ 10 each		
Issue of Partly paid up equity shares of ₹ 10 each, on November 10, 2015	Nil	18,000,000
Amount paid up per Share ₹ 5 hence considered proportionate	9,000,000	9,000,000
Number of Days in the current year for the partly paid up shares	157	142
Weighted average number partly paid up equity shares of ₹ 10 each	3,871,233	3,501,370
Balance at beginning of year	60,191,065	51,191,065
Weighted average number of equity shares of ₹ 10 each	64,062,298	54,692,435
Net Profit for the year	963.58	4,377.89
Less: Dividend and Dividend distribution Tax payable to OCCPS holders [Refer Note 2.2(b)]	Nil	270.96
Net Profit available to equity shareholders	963.58	4,106.93
Basic and diluted earnings per share (in Rupees)	1.50	7.51

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

As per our Report of even date attached

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 23, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta	<i>Executive Vice Chairman</i>
M. N. Rao	<i>Director</i>
M. S. Gilotra	<i>Managing Director</i>
Rakesh H. Mehta	<i>Chief Financial Officer</i>
Sonali Sanas	<i>Vice President (Legal) & Company Secretary</i>

Mumbai, Dated May 23, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAURASHTRA CEMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SAURASHTRA CEMENT LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.



Other Matters

We did not audit the financial statements and financial information of five subsidiaries, whose financial statements and financial information reflect total assets of ₹ 1915.43 lacs as at March 31, 2017, total revenues of ₹ 26.35 lacs, and net cash inflow amounting to ₹ 17.69 lacs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements and other financial information of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sections 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion and as reported by the auditors of the subsidiaries, proper books of account as required by law have been kept by the companies included in the Group, so far as it appears from the examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant financial statements adopted and related working statements maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion and as reported by the auditors of the subsidiaries, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and as reported by the auditors of the subsidiaries, none of the directors of the companies in the Group is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiaries:
 - i. the consolidated financial statements have disclosed the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 30 to the consolidated financial statements;
 - ii. the companies in the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies in the Group during the year ended March 31, 2017.
 - iv. the holding Company has provided requisite disclosures in its consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiaries in the Group, as produced to us by the Management - Refer Note 18.1 of the consolidated financial statements.

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

Place : MUMBAI
Date : May 23, 2017

PARESH H. CLERK
Partner
Membership No. 36148

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the consolidated financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAURASHTRA CEMENT LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies, is based on the corresponding reports of the auditors of such companies.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 23, 2017



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Note	March 31, 2017 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	6,919.42		6,019.42
Reserves and Surplus	3	21,227.66		20,484.94
			28,147.08	26,504.36
Non-current Liabilities				
Long-term Borrowings	4	212.18		120.11
Other Long-term Liabilities	5	972.78		881.82
Long-term Provisions	6	1,097.25		1,027.87
			2,282.21	2,029.80
Current Liabilities				
Short-term Borrowings	7	1,462.02		1,792.02
Trade Payables	8			
- Outstanding dues of micro enterprises and small enterprises		Nil		Nil
- Outstanding dues of creditors other than micro enterprises and small enterprises		4,824.81		2,744.51
Other Current Liabilities	9	7,616.99		7,092.76
Short-term Provisions	10	318.74		1,155.72
			14,222.56	12,785.01
TOTAL			44,651.85	41,319.17
ASSETS				
Non-current Assets				
Property, Plant and Equipment	11	19,882.68		20,106.98
Intangible Assets		20.42		35.95
Tangible Capital Work-in-progress		4,898.33		3,957.72
Non-current Investments	12	1,499.42		1,499.42
Deferred Tax Assets (net)	13	50.46		296.99
Long-term Loans and Advances	14	2,026.25		1,342.42
Other Non-current Assets	15	68.59		12.16
			28,446.15	27,251.64
Current Assets				
Inventories	16	6,080.72		4,828.89
Trade Receivables	17	1,450.81		1,407.61
Cash and Bank Balances	18	6,990.13		6,405.35
Short-term Loans and Advances	19	1,121.34		1,029.17
Other Current Assets	20	562.70		396.51
			16,205.70	14,067.53
TOTAL			44,651.85	41,319.17

Significant Accounting Policies and Notes are an integral part of the Financial Statements 1 - 38

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 23, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Executive Vice Chairman

M. N. Rao

Director

M. S. Gilotra

Managing Director

Rakesh H. Mehta

Chief Financial Officer

Sonali Sanas

Vice President (Legal) & Company Secretary

Mumbai, Dated May 23, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
Revenue from Operations (Gross)	21		53,557.13	59,224.58
Less: Excise Duty			6,069.45	6,254.50
Revenue from Operations (Net)			47,487.68	52,970.08
Other Income	22		1,077.88	1,292.64
Total Revenue			48,565.56	54,262.72
Expenses				
Cost of Materials Consumed	23		3,573.56	4,325.21
Purchases of Stock-in-trade	24		203.86	805.80
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25		212.14	640.93
Employee Benefits Expense	26		3,925.15	3,910.41
Finance Costs	27		365.41	480.67
Depreciation, Amortisation and Impairment	11		1,419.88	1,269.21
Other Expenses	28		37,309.81	36,993.38
Total Expenses			47,009.81	48,425.61
Profit before Exceptional Items and Tax			1,555.75	5,837.11
Exceptional Items	29		Nil	1,037.00
Profit before Tax			1,555.75	6,874.11
Tax Expense				
Current Tax		344.74		1,470.79
Current Tax Adjustments of Earlier Years		0.71		(139.55)
MAT Credit Entitlement Reversed		Nil		538.07
		345.45		1,869.31
Deferred Tax		246.52		624.81
			591.97	2,494.12
Profit for the year			963.78	4,379.99
Earnings per equity share of ₹ 10 par value per share				
Basic and diluted (₹ per share)	36		1.50	7.51

Significant Accounting Policies and Notes are an integral part of the Financial Statements 1 - 38

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Mumbai, Dated May 23, 2017



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before tax		1,555.75	6,874.11
Adjustments for :			
Add: Finance Costs	365.41		480.67
Loss on Sale of Assets / Capital WIP Written Off	66.45		62.24
Provision for Doubtful Debts / Advance	24.46		Nil
Depreciation, Amortisation and Impairment	1,419.88		1,269.21
		1,876.20	1,812.12
Less: Interest Income	486.00		320.52
Dividends Received	0.08		0.08
Excess Provision and Trade / Other Payables Written Back	396.09		810.46
Excess Provision Written Back	2.78		10.01
Exceptional Items	Nil		1,037.00
		(884.95)	(2,178.07)
Operating profit before working capital changes		2,547.01	6,508.16
Adjustments for increase / decrease in:			
Other Long-term Liabilities and Long-term Provisions	132.28		390.13
Trade Payables and Other Current Liabilities	2,621.39		(1,169.31)
Long-term Loans and Advances and Other Non-current Assets	(40.32)		58.25
Inventories	(1,251.83)		2,923.71
Trade Receivables and Short-term Loans and Advances	204.95		141.59
Other Current Assets	14.97		17.65
		1,681.44	2,362.02
Cash generated from operations		4,228.45	8,870.18
Add: Direct Taxes (Payments) / Refunds		(960.86)	(1,628.49)
Net cash flow from operating activities		3,267.59	7,241.69
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment etc.	(3,033.39)		(2,517.54)
Sale of Property, Plant and Equipment etc.	106.48		84.13
Interest Income	542.14		77.08
Dividends Received	0.08		0.08
Net cash flow from / (used in) investing activities		(2,384.70)	(2,356.25)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (contd.)

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
CASH FLOW FROM FINANCING ACTIVITIES			
Allotment / Call money received on Issue of Shares	900.00		900.00
Proceeds from Long-term Borrowings	144.46		140.02
Redemption of Preference Share Capital	(0.29)		(512.40)
Repayment of Long-term Borrowings	(19.91)		(794.24)
Short-term Borrowings	(330.00)		1,348.60
(Increase) / Decrease in Bank Deposits	(353.09)		(5,927.68)
Finance Costs Paid	(337.00)		(452.69)
Dividends and Distributions Taxes Paid	(655.38)		(1,228.18)
Net cash flow used in financing activities		(651.21)	(6,526.57)
Net increase in cash and cash equivalents		231.68	(1,641.13)
Cash and cash equivalents as at the beginning of the year		332.12	1,973.25
Cash and cash equivalents as at the end of the year (Refer Note 18)		563.81	332.12

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

As per our Report of even date attached

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

PARESH H. CLERK
Partner

Membership No. 36148

Mumbai, Dated May 23, 2017

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Mumbai, Dated May 23, 2017

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Significant Accounting Policies

1.1 Basis Of Preparation :

These consolidated financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention (except to include revaluation of land, buildings, plant and machinery situated at its manufacturing facilities at Ranavav, Gujarat) as also on accrual basis. These consolidated financial statements have been prepared to comply with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Accounting Standards') and the relevant provisions of the Act (to the extent notified). In the light of Rule 4A of the Companies (Accounts) Rules 2014, the items contained in these consolidated financial statements are in accordance with the definitions and other requirements specified in the Accounting Standards.

1.2 Principles of Consolidation :

- i. The financial statements of Concorde Cement (Private) Limited are excluded from the consolidation as control is intended only to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal, and the same is fully provided for.
- ii. The financial statements of the Holding Company and its Subsidiaries ("the Group") have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- 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 is recognised in the Consolidated Financial Statements as goodwill and the goodwill is amortised over a period of 10 years commencing from the date from which it arises as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets".

1.3 Subsidiaries considered in the Consolidated Financial Statements are:

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2017	Parent's ultimate holding as on 31.03.2016	Financial Year ends
i.	Pranay Holdings Limited	India	100.00%	100.00%	March 31
ii.	Prachit Holdings Limited	India	100.00%	100.00%	
iii.	Ria Holdings Limited	India	100.00%	100.00%	
iv.	Reeti Investments Private Limited	India	100.00%	100.00%	
v.	Agrima Consultants International Limited	India	100.00%	100.00%	

1.4 Use of Estimates :

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

1.5 Property, Plant and Equipment (PPE) :

- i. The Company has adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and any impairment loss. An item of PPE is recognised as an asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof, else, such spare parts, etc. are classified as inventory.
- iii. The cost comprises of - purchase price (net of recoverable CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes, and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, after deducting trade discounts and rebates.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as “Capital Work-in-progress”. Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress and the same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.
- v. Items of PPE, which are retired from active use and held for disposal, and where the sale is highly probable, are classified under other current assets; the same are carried at the lower of their carrying amounts and net realisable value. Any write-down in this regard is recognised immediately in the consolidated statement of profit and loss.

1.6 Depreciation / Amortisation :

- i. Depreciation on PPE is commenced on when it is available on use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended. Depreciation (other than Jetty and Premium on Leasehold Land) is provided on the “Straight-line Method” as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, and if expectations differ from previous estimates, the change is recognised in the consolidated statement of profit and loss with appropriate disclosure thereof.
- ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Company has determined the useful life of that significant part separately (“Component Accounting”). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Company has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.
- iii. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.
- iv. In view of the period of right to use of 15 years the cost of Jetty is amortised on the “Straight-line Method” over the said period. Addition thereto, is amortised over the residual years of its right to use.
- v. Premium on leasehold land of long lease duration is not amortised, being not material.
- vi. Intangible assets being computer softwares are amortised on the “Straight-line Method” over a period of 3 years.

1.7 Assets Acquired On Lease / Hire Purchase :

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

1.8 Impairment of Assets :

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.9 Investments :

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

1.10 Inventories :

- i. Raw materials, Packing materials and Fuels - 'At cost' or net realisable value, whichever is lower, derived on moving weighted average basis.
- 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' or net realisable value, whichever is lower, 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 recognised on transfer of significant risks and rewards of ownership of the goods to the customer on dispatch of goods. 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 render the related service.
- ii. Defined benefit plan - Gratuity : In accordance with applicable Indian Laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Holding Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent Actuary. Actuarial gain or loss is recognised immediately in the Consolidated Statement of Profit and Loss as Income or Expense. The Holding Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

1.15 Borrowing Costs :

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.

1.16 Segment Reporting Policies:

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

1.17 Taxation :

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

1.18 Provisions, Contingent Liabilities and Contingent Assets :

- i. Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ in lacs	Numbers	₹ in lacs
2 Share Capital				
Authorised				
Equity Shares, of ₹ 10 par value	195,000,000	19,500.00	130,000,000	13,000.00
Preference Shares, of ₹ 100 par value #	Nil	Nil	6,000,000	6,000.00
Unclassified Shares, of ₹ 10 par value #	Nil	Nil	5,000,000	500.00
# (Reclassified to Equity Shares during the year)		<u>19,500.00</u>		<u>19,500.00</u>
Issued				
Equity Shares, of ₹ 10 par value	69,206,334	6,920.63	69,206,334	6,920.63
		<u>6,920.63</u>		<u>6,920.63</u>
Subscribed				
Equity Shares, of ₹ 10 par value				
Subscribed and Fully Paid Up	69,191,065	6,919.11	51,191,065	5,119.11
Subscribed but Not Fully Paid Up	Nil	Nil	18,000,000	900.00
(₹ 5 per share paid up as at March 31, 2016)				
	<u>69,191,065</u>	<u>6,919.11</u>	<u>69,191,065</u>	<u>6,019.11</u>
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)		<u>6,919.42</u>		<u>6,019.42</u>

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	₹ in lacs	Numbers	₹ in lacs
a. Equity Shares, of ₹ 10 par value				
At the beginning	69,191,065	6,019.11	51,191,065	5,119.11
Changes during the year -				
Call Money / allotment	Nil	900.00	18,000,000	900.00
At the end	<u>69,191,065</u>	<u>6,919.11</u>	<u>69,191,065</u>	<u>6,019.11</u>
b. Preference Shares, of ₹ 100 par value				
At the beginning	Nil	Nil	687,595	687.60
Changes during the year - Redeemed	Nil	Nil	(687,595)	(687.60)
At the end	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

2.2 Rights, Preferences and Restrictions

a. Equity Shares

- i. The Holding Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. With effect from, April 1, 2016, final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company. Board of Directors has recommended equity dividend of ₹ 1 per share of face value of ₹ 10 each, for the year ended March 31, 2017.
- iii. Dividend at ₹ 1 per share (including on partly paid-up equity shares on pro-rata basis) was declared for the year ended March 31, 2016. The total dividend appropriation for the year ended March 31, 2016 was ₹ 658.26 lacs including corporate dividend tax of ₹ 111.34 lacs.
- iv. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b. Preference Shares :

- i. The Holding Company had only one class of preference shares as 13% Optionally Convertible Cumulative Preference Shares (OCCPS) having a par value of ₹ 100, which were redeemed on March 10, 2016.
- ii. OCCPS carried a fixed cumulative dividend of 13% p.a. from the date of issue. The holders of OCCPS carried a right to dividend ahead of equity share holders.
- iii. In the event of liquidation, the holders of OCCPS carried preference over equity shareholders in respect of repayment of capital.
- iv. During the year ended March 31, 2016, the Holding Company paid interim dividend on preference shares including arrears thereof. The total dividend appropriation uptill the year ended March 31, 2016 amounted to ₹ 1228.18 lacs, including corporate dividend tax of ₹ 207.74 lacs.
- v. 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, had surrendered their right in the redemption, including the preference dividend thereon for the benefit of the Holding Company, and on redemption, based on a legal advice received the aforesaid amount was transferred to Capital Reserve for the year ended March 31, 2016.

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	%	Numbers	%
Equity Shares				
Villa Trading Company Private Limited	14,158,167	20.46%	14,158,167	20.46%
Parsec Enterprises Private Limited	13,538,370	19.57%	13,538,370	19.57%
TransAsia Investments And Trading Limited	8,000,000	11.56%	8,000,000	11.56%
Jagmi Investments Limited	5,175,000	7.48%	5,175,000	7.48%
Sampson Limited	4,000,000	5.78%	4,000,000	5.78%

3	Reserves and Surplus	As at	
		March 31, 2017 ₹ in lacs	March 31, 2016 ₹ in lacs
	Capital Reserve - As at the beginning	2,789.28	2,614.72
	Add: Surrender of OCCPS in favour of Company	Nil	174.56
	As at the end of the year	2,789.28	2,789.28
	Capital Redemption Reserve - As at the beginning	737.60	50.00
	Add: Transferred from General Reserve on redemption of OCCPS	Nil	687.60
	As at the end of the year	737.60	737.60
	Securities Premium Account	10,566.71	10,566.71
	Debenture Redemption Reserve - As at the beginning	Nil	2,060.00
	Less: Transferred to General Reserve as debentures are fully redeemed	Nil	2,060.00
	As at the end of the year	Nil	Nil
	Revaluation Reserve - As at the beginning	221.06	238.45
	Less: Transferred to General Reserve *	Nil	17.39
	Less: Reversals to PPE's [Refer Note 11(i)]	221.06	Nil
	As at the end of the year	Nil	221.06
	General Reserve - As at the beginning	5,786.29	4,396.49
	Add: Transferred from Debenture Redemption Reserve	Nil	2,060.00
	Add: Transferred from Revaluation Reserve *	Nil	17.39
	Less: Transferred to Capital Redemption Reserve on OCCPS Redemption	Nil	687.60
	As at the end of the year	5,786.29	5,786.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
Surplus / (Deficit)		
Balance in the Statement of Profit and Loss		
Balance as at the beginning	384.01	(2,109.54)
Add: Transferred from the Statement of Profit and Loss	963.78	4,379.99
Less: Appropriations		
Interim Preference Dividend paid on OCCPS	Nil	1,020.44
Dividend Distribution Tax on Preference Dividend	Nil	207.74
Proposed Equity Dividend	** Nil	546.92
Dividend Distribution Tax on Proposed Equity Dividend	** Nil	111.34
Credit / (Debit) balance as at the end of the year	<u>1,347.78</u>	<u>384.01</u>
	<u>21,227.66</u>	<u>20,484.94</u>

* For the year ended March 31, 2016, as suggested in the Application Guide on the Provisions of Schedule II to the Companies Act, 2013 issued by ICAI the amount of depreciation on the amount of revalued Property, Plant and Equipments was withdrawn and transferred to General Reserve.

** Refer Note 2.2.a.ii

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
4 Long-term Borrowings		
Secured		
Term Loans		
From Banks	56.83	65.71
From Others	155.35	54.40
	<u>212.18</u>	<u>120.11</u>

4.1

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

B. Security and Repayment Terms:

	As at March 31, 2017		As at March 31, 2016	
	Non-current ₹ in lacs	Current ₹ in lacs	Non-current ₹ in lacs	Current ₹ in lacs
I. Breakup of borrowings:				
a. Term Loans from Banks - Vehicles	56.83	8.88	65.71	8.03
b. Term Loans from Others - Vehicles	155.35	43.51	54.40	11.88
	<u>212.18</u>	<u>52.39</u>	<u>120.11</u>	<u>19.91</u>

II. Security and Repayment Terms:

- Borrowings at part I (a) and (b) are generally repayable in 36 equated monthly instalments carrying varied interest from 10% to 12% p.a. These loans are secured by hypothecation of vehicles financed there under.
- The restructured loans fully repaid in earlier years including FITL are subject to recompense clause as may be approved by the Corporate Debt Restructuring Cell constituted as per the relevant Reserve Bank of India Guidelines.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
5 Other Long-term Liabilities		
Security Deposits from Customers / Transporters	972.73	881.77
Loan from a Director-Unsecured (Terms of repayment not specified) [Refer Note 35.2(ii)(f)]	0.05	0.05
	<u>972.78</u>	<u>881.82</u>
6 Long-term Provisions		
For Employee Benefits - Gratuity and Compensated absences (Refer Note 33)	<u>1,097.25</u>	<u>1,027.87</u>
	<u>1,097.25</u>	<u>1,027.87</u>
7 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits (including packing credits) *	Nil	454.64
Overdraft against Pledge of Bank Fixed Deposits	<u>1,462.02</u>	<u>1,337.38</u>
	<u>1,462.02</u>	<u>1,792.02</u>
7.1 Security:		
*The Working capital facilities are secured by first charge by way of hypothecation of current assets, namely, stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movables, both, present and future. It is also secured by second mortgage and charge on the Holding Company's immovable and movable properties both present and future. They are also secured by personal guarantee of two Directors of the Holding Company.		
8 Trade Payables		
Amounts Payable to a Related Party [Refer Note 35.2(iv)(d)]	Nil	23.25
Others	<u>4,824.81</u>	<u>2,721.26</u>
	<u>4,824.81</u>	<u>2,744.51</u>
8.1		
"Others" includes dues to small and medium enterprises, which require the following disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :		
i. Principal amount remaining unpaid and interest thereon	1.07	1.07
ii. Interest paid in terms of Section 16	Nil	Nil
iii. Interest due and payable for the period of delay in payment	Nil	Nil
iv. Interest accrued and remaining unpaid	Nil	Nil
v. Interest due and payable even in succeeding years	1.07	1.07

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
9 Other Current Liabilities		
Current Maturities of Long-term Debt *		
Term Loans		
From Banks	8.88	8.03
From Others	43.51	11.88
	<u>52.39</u>	<u>19.91</u>
Unpaid Dividends	2.88	Nil
Unclaimed Share Application Money	14.48	14.48
Amounts Payable on Redemption of Preference Shares	0.64	0.93
Statutory Dues	3,985.91	3,903.89
Advances from Customers	1,464.07	1,101.37
Book Overdraft on Current Account	1.44	Nil
Other Payables		
Creditors for Capital Items	249.02	115.79
Liabilities for Expenses at the year-end	1,562.68	1,821.30
Remuneration Payable to Key Managerial Personnel [Refer Note 35.2(ii)(c&d)]	31.22	28.75
Advance against Sale of Asset held for Disposal	160.00	Nil
Others - Employee Monies	92.26	86.35
	<u>2,095.18</u>	<u>2,052.18</u>
	<u>7,616.99</u>	<u>7,092.76</u>

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

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
10 Short-term Provisions		
For Employee Benefits - Gratuity and Compensated Absences (Refer Note 33)	264.96	246.70
Others		
Provision for Taxation	3,757.17	3,415.82
Less: Taxes paid	3,757.17	3,218.20
	Nil	197.62
Excise duty on Stocks	53.78	53.14
Proposed Equity Dividend *	Nil	546.92
Tax on Proposed Equity Dividend *	Nil	111.34
	<u>Nil</u>	<u>658.26</u>
	<u>53.78</u>	<u>909.02</u>
	<u>318.74</u>	<u>1,155.72</u>

*[Refer Note 2.2(a)(ii) above]

(₹ in lacs)

Notes forming part of consolidated financial statements
Property, Plant and Equipment, etc.

11

[Refer Note (i)]	Gross Block		Depreciation, Amortisation and Impairment		Net Block				
	As at April 1, 2016	Additions / Deductions / Adjustments	As at March 31, 2017	Up to March 31, 2016	For the Year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property, Plant and Equipment									
Freehold Land	239.08	Nil	0.53	Nil	Nil	Nil	Nil	0.53	239.08
[Refer Note (ii)]	239.08	Nil	239.08	Nil	Nil	Nil	Nil	239.08	239.08
Leasehold land	21.45	Nil	0.29	Nil	Nil	Nil	Nil	0.29	21.45
[Refer Note (iii)]	21.45	Nil	21.45	Nil	Nil	Nil	Nil	21.45	21.45
Buildings and Jetty	7,348.46	209.43	6,982.33	3,908.47	113.67	396.06	3,626.08	3,336.25	3,439.99
[Refer Note (iv)]	6,265.49	1,082.97	7,348.46	3,808.39	100.08	Nil	3,908.47	3,439.99	2,457.10
Plant and Equipment	46,905.28	621.01	42,057.94	32,003.92	920.65	5,360.96	27,563.61	14,494.33	14,901.36
[Refer Note(v)]	44,906.96	1,998.32	46,905.28	31,169.44	834.48	Nil	32,003.92	14,901.36	13,737.52
Furniture and Fixtures	1,283.32	307.55	1,586.39	914.26	97.98	2.79	1,009.45	576.94	369.06
	1,244.99	74.21	1,283.32	846.41	85.23	17.38	914.26	369.06	398.58
Vehicles	1,722.18	348.20	1,946.77	835.26	168.39	64.69	938.96	1,007.81	886.92
	1,500.35	464.98	1,722.18	831.84	123.84	120.42	835.26	886.92	688.51
Office Equipment	722.89	181.03	896.59	483.48	92.11	2.39	573.20	323.39	239.42
	604.22	130.94	722.90	416.71	73.90	7.13	483.48	239.42	187.50
Railway siding, weighbridge, rolling stock and locomotives	281.56	135.81	294.98	271.86	3.24	123.26	151.84	143.14	9.70
	281.56	Nil	281.56	271.00	0.86	Nil	271.86	9.70	10.56
Current Year	58,524.23	1,803.03	53,745.82	38,417.25	1,396.04	5,950.15	33,863.14	19,882.68	20,106.98
Previous Year	55,064.10	3,751.42	58,524.23	37,343.79	1,218.39	144.93	38,417.25	20,106.98	
Intangible Assets - Other than internally generated									
Goodwill	95.27	Nil	95.27	95.27	Nil	Nil	95.27	Nil	Nil
Computer softwares	263.21	8.31	271.52	227.26	23.84	Nil	251.10	20.42	35.95
Current Year	358.48	8.31	366.79	322.53	23.84	Nil	346.37	20.42	35.95
Previous Year	357.02	1.46	358.48	271.71	50.82	Nil	322.53	35.95	
Capital work-in-progress									
Tangible Capital WIP									
[Refer Note (vi)]									
Current Year	8,376.82	943.17	9,317.43	4,419.10	Nil	Nil	4,419.10	4,898.33	3,957.72
Previous Year	9,679.45	1,451.31	8,376.82	4,419.10	Nil	Nil	4,419.10	3,957.72	
Grand Total									
Current Year	67,259.52	2,754.51	63,430.04	43,158.88	1,419.88	5,950.15	38,628.61	24,801.43	24,100.64
Previous Year	65,100.56	5,204.19	67,259.52	42,034.60	1,269.21	144.93	43,158.88	24,100.64	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- i. Since the adoption of cost model as its accounting policy as specified in the transitional provisions of Accounting Standard 10 on "Property, Plant and Equipment", introduced by the Companies (Accounting Standards) Amendment Rules, 2016, the earlier revaluations (net of depreciation on revalued amounts) of ₹ 221.06 lacs reflected in the carrying amount of items of Property, Plant and Equipment, as detailed here in below, is adjusted to Revaluation Reserve. Further, due to the said adjustment as per the transitional provisions, depreciation for the year is lower by ₹ 17.39 lacs and the net profit for the year is higher by the like amount. Accordingly, Gross Block includes ₹ Nil (Previous year ₹ 4061.10 lacs) added on revaluation of the Company's free-hold and leasehold land, buildings, plant and machinery situated at Ranavav in order to reflect a realistic position of the net replacement cost of such assets, on the basis of valuation made by an external valuer, which had resulted in a net increase of ₹ 5722.61 lacs, as at June 30, 1993.

The deductions under the PPE block include the following on revaluation reversals;

	<u>Particulars</u>	<u>Gross Block</u>	₹ in lacs	
			<u>Depreciation Block</u>	<u>Net Written Down Value</u>
a.	Freehold Land	1.26	Nil	1.26
b.	Leasehold Land	21.16	Nil	21.16
c.	Buildings and Jetty	595.56	396.92	198.64
d.	Plant and Equipments	3,320.73	3,320.73	Nil
e.	Railway siding, weighbridge, rolling stock and locomotives	122.39	122.39	Nil
		<u>4,061.10</u>	<u>3,840.04</u>	<u>221.06</u>

- ii. The deductions under the gross block of freehold land includes ₹ 237.29 lacs of a certain land which is held for disposal. The same is classified under other current assets at Note 20.
- iii. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.
- iv. Buildings and Jetty includes a Private Jetty having a gross block of ₹ 2411.45 lacs (Net block ₹ 120.57 lacs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The license period of 15 years from October 2000 has expired and the Company has requested for the renewal of the agreement, which is pending.
- v. 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.
- vi. **Impairment of Assets :**
- a. The Company had incurred an aggregate sum of ₹ 8107.17 lacs (Previous Year ₹ 8107.17 lacs) towards Expansion Project Assets, and reflected the same under Capital Work-in-progress (CWIP). The expenditure includes cost of an imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. However, later on in the year 2005, due to several adversities, the project was suspended.

	As at	
	March 31, 2017 ₹ in lacs	March 31, 2016 ₹ in lacs
b. Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	320.40	320.40
Employee Cost	144.56	144.56
Interest and Finance Cost	3,104.18	3,104.18
Traveling and Conveyance	227.48	227.48
Exchange Rate Fluctuation	42.43	42.43
Transportation Charges	19.96	19.96
Miscellaneous	59.97	59.97
	<u>3,918.98</u>	<u>3,918.98</u>

- c. Though earlier, the Company had decided to dispose of the Expansion Project Assets, through the Asset Sale Committee (ASC) constituted under the aegis of BIFR, subject to necessary approvals of the Company's Lenders / BIFR, at present it is not highly probable that those assets will be sold within the foreseeable future, at the year end. Accordingly, based on the assessment of recoverable amount (net selling price) of those assets, as per the valuation report obtained from a project consultant, which is not materially varying from the amount determined in the earlier year, no further adjustment to impairment is considered necessary for the year ended March 31, 2017. As at the year end, the aggregate provision for impairment of ₹ 4419.10 lacs, made is continued. This provision is as required under Accounting Standard 28 on "Impairment of Assets".

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs		As at March 31, 2016 ₹ in lacs	
12 Non-current Investments				
Long-term Investments				
Valued at cost less provision for other than temporary diminution				
Trade Investments				
In Equity Instruments of Subsidiaries				
Unquoted				
(Fully paid equity shares of ₹ 10 each)				
Quantity Investee company				
1,49,272 Concorde Cement (Private) Limited (Srilankan Rupee)	9.19		9.19	
	9.19		9.19	
Less: Provision for diminution in value	9.19		9.19	
		Nil		Nil
Other than Trade				
In Equity Instruments of Others				
Quoted				
(Fully paid equity shares of ₹ 10 each)				
Quantity Investee company				
8,70,500 MTZ Industries Limited	435.25		435.25	
30,00,000 MTZ Polyfilms Limited	600.00		600.00	
22,85,912 Gujarat Sidhee Cement Limited	2,666.32		2,666.32	
1 ACC Limited	0.01		0.01	
1 Ultratech Cements Limited	0.01		0.01	
1 Ambuja Cement Ltd*	-		-	
1 India Cements Limited*	-		-	
1 JK Lakshmi Cement Limited*	-		-	
1 Mangalam Cements Limited*	-		-	
1 Prism Cements Limited*	-		-	
1 Shree Digvijay cements Limited*	-		-	
1 Zuari Global Ltd*	-		-	
1 Zuari Agro Chemicals Limited*	-		-	
200 Dena Bank Limited	0.06		0.06	
	3,701.65		3,701.65	
Less: Provision for diminution in value	2,203.73		2,203.73	
		1,497.92		1,497.92
* Each investment is less than ₹ 0.01 lacs				
Unquoted				
Quantity Investee company	Face Value			
	₹ per share			
2,001 Rajkot Nagrik Sahakari Bank Limited	50.00			
2,500 Saraswat Co-op Bank Limited	10.00	1.50		
		1,499.42		1,499.42
		1,499.42		1,499.42
	As at	As at		
	March 31, 2017	March 31, 2016		
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted investments	3,701.65	669.15	3,701.65	611.97
Aggregate amount of unquoted investments	10.69	Nil	10.69	Nil
	3,712.34		3,712.34	
Aggregate provision on non current investments	2,212.92		2,212.92	



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
13 Deferred Tax Assets (net)		
Deferred Tax Assets		
i. Accrued expenses deductible on cash basis	1,634.25	1,556.57
ii. Accrued expenses deductible on payment of TDS thereon	Nil	137.86
iii. Provision for Impairment	1,529.36	1,529.36
Closing balance	<u>3,163.61</u>	<u>3,223.79</u>
Deferred Tax Liabilities		
i. Difference between WDV as per the Income-tax Act, 1961 and the Companies Act, 2013	3,113.15	2,926.80
	<u>50.46</u>	<u>296.99</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
14 Long-term Loans and Advances		
Unsecured - considered good		
Capital Advances	666.99	385.55
Security Deposits	302.01	320.13
Other Deposits	46.55	46.55
Advance Recoverable in cash or kind or for value to be received	11.75	12.96
Other Loans and Advances		
Staff Advance		
Predeposit Balances with Statutory / Government Authorities against Appeals	116.95	113.73
Taxes Paid (Net of Provision of ₹ 343.23 lacs, Previous Year ₹ 1485.24 lacs)	<u>573.35</u>	154.85
	<u>690.30</u>	<u>268.58</u>
Unsecured, Considered Doubtful		
Intercorporate Deposits	308.66	308.66
Less: Provision for Bad and Doubtful Deposits	-	-
	<u>2026.25</u>	<u>1,342.42</u>
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
15 Other Non-current Assets		
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	154.49	157.27
Less: Provision for Bad and Doubtful Debts	<u>154.49</u>	<u>157.27</u>
	Nil	Nil
Deposits with Banks		
Held as Margin Money		
Maturity beyond 12 months from the Balance Sheet Date	68.59	12.16
	<u>68.59</u>	<u>12.16</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
16	Inventories		
	Raw Materials	938.67	762.66
	Packing Materials	154.96	121.96
	Work-in-progress	513.27	561.82
	Finished Goods	572.89	735.85
	Fuels	2,122.97	716.77
	Stores and Spare Parts	1,766.94	1,900.82
	Stores and Spare Parts in-transit	11.02	29.01
		<u>1,777.96</u>	<u>1,929.83</u>
		<u>6,080.72</u>	<u>4,828.89</u>
<hr/>			
		As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
17	Trade Receivables		
	Unsecured, Considered Good		
	Outstanding for a period exceeding six months from the date they are due for payment	199.58	254.25
	Others		
	Amounts Receivable from a related party	136.80	Nil
	[Refer Note 35.2(iv)(d)]		
	Others	1,114.43	1,153.36
		<u>1,251.23</u>	<u>1,153.36</u>
		<u>1,450.81</u>	<u>1,407.61</u>
<hr/>			
		As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
18	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with Banks		
	On Current Accounts	563.81	328.56
	Cash on Hand	Nil	3.57
		<u>563.81</u>	<u>332.12</u>
	Other Bank Balances		
	Earmarked Balances		
	For Unpaid Dividend (Equity and Preference)	2.88	Nil
	For Redemption of Preference Shares	0.64	0.93
	For Money received on Issue	0.14	0.14
		<u>3.66</u>	<u>1.07</u>
	Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
	Held as Margin Money	225.12	55.06
	Held as Security against Overdraft facilities	3,531.11	2,770.00
	Others	2,666.43	3,247.10
		<u>6,422.66</u>	<u>6,072.16</u>
		<u>6,990.13</u>	<u>6,405.35</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18.1 Disclosure on Specified Bank Notes (SBNs)

The disclosure of Specified Bank Notes (SBNs) held by the Companies as on November 8, 2016 and transacted during the period from November 8, 2016 to December, 30 2016 as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is given below:

Particulars	₹ in Lacs		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	4.78	0.80	5.58
(+) Permitted receipts	Nil	17.40	17.40
(-) Permitted payments	Nil	14.16	14.16
(-) Amount deposited in Banks	4.78	0.75	5.53
Closing cash in hand as on December 30, 2016	Nil	3.29	3.29

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
	19 Short-term Loans and Advances	
Unsecured, considered good		
Loans and Advances to related party		
Travelling Advance Due from a Director [Refer Note 35.2(ii)(e)]	16.61	Nil
Other Loans and Advances		
Balances with Statutory / Government Authorities	559.90	573.51
Advances Against Purchase of Stores	360.34	292.47
Prepaid Expenses	117.00	112.21
Others	67.49	50.98
	<u>1,121.34</u>	<u>1,029.17</u>

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
	20 Other Current Assets	
Unsecured, Considered Good		
Asset held for Disposal [Refer Note 11 (ii)]	237.29	Nil
Export Benefits Receivable	Nil	14.97
Interest and Other Receivable	325.40	381.54
	<u>562.69</u>	<u>396.51</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
21 Revenue from Operations		
Sale of Products		
Manufactured Goods	52,536.16	57,725.54
Traded Goods	210.76	986.05
	<u>52,746.92</u>	<u>58,711.59</u>
Other Operating Revenues		
Sale of Power	563.18	195.87
Sale of Scrap	207.24	159.27
Export Entitlements	39.79	157.85
	<u>810.21</u>	<u>512.99</u>
	<u>53,557.13</u>	<u>59,224.58</u>
Less: Excise Duty	6,069.45	6,254.50
	<u>47,487.68</u>	<u>52,970.08</u>
Details of Products Sold		
Sale of Manufactured Goods		
Cement	52,536.16	57,191.56
Clinker	Nil	533.98
	<u>52,536.16</u>	<u>57,725.54</u>
Sale of Traded Goods		
Cement	210.76	986.05
	<u>210.76</u>	<u>986.05</u>
22 Other Income		
Interest Income on		
Fixed Deposits with Banks	474.44	300.70
Fixed deposits with a State Financial Corporation	Nil	12.93
Others	11.56	6.89
	<u>486.00</u>	<u>320.52</u>
Dividends Income from Long-term Investments - others	0.08	0.08
Rent Income	12.00	12.00
Miscellaneous Income (including overheads shared)	80.96	126.75
Net Gain on Foreign Currency Transactions and Translation	97.45	0.61
Insurance Claims	2.03	11.47
Bad Debts Recovered	0.49	0.74
Provision for Doubtful Debts no longer required	2.78	10.01
Excess Provision Written Back	182.55	805.80
[includes a sum of ₹ Nil (Previous Year ₹ 448.75 lacs) written back of arrears of rent and interest provided in earlier years based on an order of Hon'ble BIFR]		
Trade / Other Payables Written Back	213.54	4.66
	<u>1,077.88</u>	<u>1,292.64</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
23 Cost of Materials Consumed			
Raw Materials			
Opening Stock of Raw Materials	762.66		1,077.07
Add: Purchases	2,273.06		2,534.47
	<u>3,035.72</u>		<u>3,611.54</u>
Less: Closing Stock of Raw Materials	<u>938.67</u>		<u>762.66</u>
		2,097.05	2,848.88
Packing Materials			
Opening Stock of Packing Materials	121.96		139.51
Add: Purchases	1,509.51		1,458.78
	<u>1,631.47</u>		<u>1,598.29</u>
Less: Closing Stock of Packing Materials	<u>154.96</u>		<u>121.96</u>
		<u>1,476.51</u>	<u>1,476.33</u>
		<u>3,573.56</u>	<u>4,325.21</u>
Details of Raw Materials Consumed			
Gypsum		674.89	719.54
Fly Ash		1,104.01	1,071.55
Iron Sludge		118.24	214.91
Clinker Purchased		46.33	675.17
Others		153.58	167.71
		<u>2,097.05</u>	<u>2,848.88</u>
		For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
24 Purchases of Stock-in-trade			
Purchases of Traded Goods			
Cement		203.86	805.80
		<u>203.86</u>	<u>805.80</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
25 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		
Stocks at the end		
Finished Goods - Cement	572.89	735.85
Work-in-progress - Raw Flour and Clinker	513.27	561.82
	<u>1,086.16</u>	<u>1,297.67</u>
Less: Stocks at the Beginning		
Finished Goods - Cement	735.85	1,012.22
Work-in-progress - Raw Flour and Clinker	561.82	1,096.30
	<u>1,297.67</u>	<u>2,108.52</u>
	<u>211.51</u>	<u>810.85</u>
Increase in Excise Duty on Stocks	0.63	(169.92)
	<u>212.14</u>	<u>640.93</u>
	<u>212.14</u>	<u>640.93</u>
26 Employee Benefits Expense		
(Refer Note 28.1)		
Salaries, Wages and Bonus	3,424.00	3,377.97
Contribution to Provident and Other Funds	207.09	199.20
Gratuity Expense	144.18	187.35
Staff Welfare Expenses	149.88	145.89
	<u>3,925.15</u>	<u>3,910.41</u>
	<u>3,925.15</u>	<u>3,910.41</u>
27 Finance Costs		
Interest expense		
On Borrowings	121.64	65.16
On Custom Duty, Service Tax and Income Tax	85.07	228.64
On Others	158.08	185.94
	<u>364.79</u>	<u>479.74</u>
Other Borrowing Costs	0.62	0.93
	<u>365.41</u>	<u>480.67</u>
	<u>365.41</u>	<u>480.67</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
28 Other Expenses		
Stores and Spare Parts Consumed	4,583.73	4,540.82
Power and Fuel	12,919.11	11,992.89
Rent	261.70	246.23
Repairs and Maintenance:		
Buildings, etc.	332.23	498.35
Machinery	2,398.95	2,391.81
Others	719.70	530.81
	<u>3,450.88</u>	<u>3,420.97</u>
Insurance	115.80	137.08
Rates and Taxes	72.78	62.98
Raw Material Handling Charges [Refer Note 28.1(a)]	591.31	511.27
Limestone / Marl Raising Charges [Refer Note 28.1(a)]	810.72	835.50
Royalty and Cess [Refer Note 28.1(a)]	1,785.23	1,826.95
Advertisement and Business Promotion Expenses	1,581.69	2,002.34
Freight and Handling Expenses	7,960.32	8,681.37
Commission	851.38	805.95
Directors' Fees	31.40	41.80
Charity and Donation	12.50	28.65
Traveling and Conveyance	416.26	259.50
Legal and Professional Charges	331.96	358.20
Auditor's Remuneration		
Audit Fees	10.84	9.34
Tax Audit Fees	2.66	2.65
For Other Services - Certification Work	5.42	4.03
	<u>18.92</u>	<u>16.02</u>
Provision for Doubtful Debts / Advance	24.46	Nil
Loss on Sale of Assets (Net)	66.45	62.24
Corporate Social Responsibility (CSR) Expenditure [Refer Note 31]	91.66	22.48
Miscellaneous Expenses	1,374.48	1,160.73
Cost of Cement Self Consumed [Refer Note 28.1(b)]	(42.92)	(20.58)
	<u>37,309.81</u>	<u>36,993.38</u>
28.1 a. Employee Benefit Expenses (Note 26) and Other Expenses (Note 28) as incurred on cost of raising and transporting limestone / marl are as under:		
Salaries, Wages and Bonus	130.28	149.17
Stores and Spare Parts Consumed	370.90	403.06
Repairs and Maintenance to Machinery	79.92	61.78
Raw Material Handling Charges	455.01	382.88
Limestone / Marl Raising Charges	810.72	835.50
Royalty and Cess	1,781.40	1,815.94
	<u>3,628.23</u>	<u>3,648.33</u>
b. Cost of cement self consumed also includes other material costs and depreciation.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
29 Exceptional Items		
Amount forfeited against Sale of Flats (Refer Note 29.1 below)	Nil	1,037.00
	<u>Nil</u>	<u>1,037.00</u>
29.1	For the year ended March 31, 2016, an amount of ₹ 1037.00 lacs, which was received for the sale of flats in an earlier year, but was forfeited due to non-compliance of the terms and conditions of the tender by the bidder.	
	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
30 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax liabilities	101.42	101.42
ii. Excise Duty	884.61	718.77
iii. Service Tax	2.39	2.39
iv. Royalty	15.12	15.12
v. Customs Duty	20.00	20.00
vi. Claims filed by workmen or their union against the Company	58.19	64.75
vii. On account of Power Supply	440.99	440.99
viii. Refer Note 29.1, wherein the aggrieved buyer has disputed the sale of a flat to another person. The said matter is under dispute and the outcome / impact of which on the Company is presently unascertainable.		
ix. Other demands and claims	44.66	20.55
The amounts stated are including interest and penalty, to the extent demanded.		
b. Other money for which the Company is contingently liable;		
i. The impact / outcome of recompense clause as detailed in Note 4.1 (B) (II) (ii), in respect of the restructured loans on the Company is presently unascertainable.		
ii. Maximum possible obligation on reward points on sale Nil (Previous Year ₹ 89.72 lacs).		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 705.97 lacs, Previous Year ₹ 387.57 lacs).	1,999.97	1,249.51
	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
31 Corporate Social Responsibility (CSR)		
Gross amount required to be spent by the Company during the year	78.44	38.98
Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Vocational Training	6.00	Nil
Rural Development	6.96	Nil
Promoting Preventive Health Care and Sanitation	7.67	7.67
Education Promotion	71.03	14.81
	<u>91.66</u>	<u>22.48</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 ₹ in lacs		For the Year ended March 31, 2016 ₹ in lacs	
32 Additional Information to the Statement of Profit and Loss				
i. Value of imports calculated on CIF basis				
a. Raw materials		536.40		851.94
b. Fuel		4,404.99		1,558.31
c. Components and Spare Parts		294.23		210.57
d. Capital Goods		211.56		211.06
ii. Expenditure in Foreign Currency				
a. Traveling Expenses		71.81		13.90
b. Commission on Exports		Nil		6.67
c. Sea Freight and Demurrage		22.14		2.13
d. Professional Fees		18.99		21.89
e. License / Registration of Trade Mark Fees		2.27		0.56
f. Repairs and Maintenance - Others		75.32		Nil
g. Business Promotion Expenses		28.93		Nil
h. Others		3.50		3.14
		For the year ended March 31, 2017		For the year ended March 31, 2016
	₹ in lacs	%	₹ in lacs	%
iii. Value of Imported / Indigenous Consumption				
Raw materials				
a. Imported	640.25	11.18%	647.70	9.97%
b. Indigenous	5,085.03	88.82%	5,849.51	90.03%
	<u>5,725.28</u>	<u>100.00%</u>	<u>6,497.21</u>	<u>100.00%</u>
Spare Parts and Components				
a. Imported	340.60	7.43%	332.69	7.33%
b. Indigenous *	4,243.13	92.57%	4,208.13	92.67%
* Includes amounts directly debited to various account heads	4,583.73	100.00%	4,540.82	100.00%
iv. Earnings in Foreign Currency				
a. Exports on FOB basis	2,746.33		8,787.11	
b. Despatch Money on Export of Goods	Nil		15.25	

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
33 Employee benefits				
i. Changes in Present Value of Obligations:				
Present Value of Obligation at the beginning	338.89	317.17	958.47	856.39
Current Service Cost	29.72	22.38	37.59	35.29
Interest Cost	26.47	25.22	74.86	68.08
Actuarial (Gain) / Loss on obligations	59.72	16.27	17.87	83.00
Benefits paid	(63.44)	(42.15)	(78.59)	(84.29)
Present value of Obligation as at the end	<u>391.36</u>	<u>338.89</u>	<u>1,010.20</u>	<u>958.47</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
	Compensated Absences		Gratuity	
ii. Changes in Fair Value of Plan Assets :				
Fair value of Plan Assets at the beginning		Not Applicable	22.79	4.16
Expected return on Plan Assets		Not Applicable	1.78	0.33
Contributions		Not Applicable	92.67	102.75
Benefits paid		Not Applicable	(78.58)	(84.29)
Actuarial Gain / (Loss) on Plan Assets		Not Applicable	0.68	(0.16)
Fair value of Plan Assets as at the end		Not Applicable	39.34	22.79
iii. The amount recognised in Balance Sheet				
Gross value of present Obligation at the end	391.36	338.89	1,010.20	958.47
Fair Value of Plan Assets at the end	Nil	Nil	39.34	22.79
Net (Liability) recognised in Balance sheet	391.36	338.89	970.86	935.68
iv. Amount recognised in the Statement of Profit and Loss				
Current Service Cost	29.72	22.38	37.59	35.29
Interest Cost	26.47	25.22	74.86	68.08
Expected return on Plan Assets	Nil	Nil	(1.78)	(0.33)
Net actuarial (Gain) / Loss recognised in the year	59.72	16.27	17.19	83.16
Expenses Recognised in the statement of Profit and Loss	115.91	63.87	127.86	186.20
v. Category of Assets				
Insurer Managed Funds		Not Applicable	39.34	22.80
vi. Assumptions				
Mortality Table - Indian Assured Life Mortality 2006-08				
Discount Rate	7.51%	7.81%	7.51%	7.81%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	Not Applicable		7.81%	7.81%
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.				
viii. The Company expects to contribute a sum of ₹ 124.34 lacs (Previous Year ₹ 120.13 lacs) towards gratuity during the year ended March 31, 2017.				
ix. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held and historical return on the plan assets. The same are disclosed hereunder to the extent available.				

Particulars - Gratuity	As at March 31, 2017 ₹ in lacs	₹ As at March 31, 2016 ₹ in lacs	As at March 31, 2015 ₹ in lacs	As at March 31, 2014 ₹ in lacs	As at March 31, 2013 ₹ in lacs
	Experience Adjustments				
On plan liability (gain) / loss	4.31	76.63	53.55	24.95	38.19
On plan assets (gain) / loss	(0.68)	(0.16)	(0.56)	0.03	(0.11)
Present value of benefit obligation	1,010.20	958.46	856.38	729.25	713.99
Fair value of plan assets	39.34	22.80	4.16	6.44	3.88
Excess of obligation over plan assets	970.86	935.66	852.22	722.81	710.11



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 ₹ in lacs	As at March 31, 2016 ₹ in lacs
34 Segment Reporting		
The Company has only one business segment 'cement / clinker' as primary segment.		
The secondary segment is geographical segment which is given below :		
Domestic revenues (net of excise duty)	43,925.07	43,669.98
Exports - International markets	2,752.40	8,787.11
Total	<u>46,677.47</u>	<u>52,457.09</u>
All the assets of the Company are in India only.		
35 Related Party Disclosures		
35.1 List of related parties:		
i. Enterprises under control, or are controlled by, or under common control, with the reporting enterprise:		
a. Jagmi Investment Limited	m. TransAsia Investment & Trading Limited	
b. Fawn Trading Co. Private Limited	n. Sampson Limited	
c. Fern Trading Co. Private Limited	o. Villa Trading Co. Private Ltd.	
d. Willow Trading Co. Private Limited	p. Galaxy Technologies Private Limited	
e. Tejashree Trading Co. Private Limited	q. Mehta Sports Private Limited	
f. Pallor Trading Co. Private Limited	r. The Sea Island Investments Limited	
g. The Mehta International Limited	s. Parsec Enterprises Private Limited	
h. Mehta Private Limited	t. Gujarat Sidhee Cement Limited	
i. Sameta Exports Private Limited	u. Bhadra Textiles and Trading Private Limited	
j. Sunnidhi Trading Private Limited	v. Mehta Investments Pte Limited	
k. Sumaraj Holdings Private Limited	w. Mehta Asiatic Pte Limited	
l. The Arj Investments Limited		
ii. Subsidiary Companies :		
a. Concorde Cement (Private) Limited		
iii. Key Management Personnel :		
a. Mr. Jay M Mehta – Executive Vice Chairman		
b. Mr. M S Gilotra - Managing Director		
iv. Relatives of Key Management Personnel with whom Transactions have taken place:		
a. Mr. Mahendra N Mehta - Father of Mr. Jay M Mehta		
b. Mrs. Narinder Kaur - Wife of Mr. M S Gilotra		
c. Mr. Amandeep Singh Gilotra - Son of Mr. M S Gilotra		
v. Enterprise having Key Management Personnel in common:		
a. Gujarat Sidhee Cement Limited		
	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
35.2 Transactions with related parties:		
i. Balances with promoter companies		
Deposit with Sameta Exports Private Limited	308.66	308.66
ii. Payments to Key Managerial Personnel and Balances Outstanding:		
a. Remuneration to Mr. Jay M Mehta	240.15	228.01
b. Remuneration to Mr. M S Gilotra	168.41	163.23
c. Remuneration payable to Mr. M S Gilotra	14.45	18.46
d. Remuneration payable to Mr. Jay M Mehta	16.77	10.29
e. Travelling Advance to Mr. Jay M Mehta	16.61	Nil
f. Amounts Payable to Mr. Jay M Mehta	0.05	Nil
iii. Payments to relatives of Key Managerial Personnel:		
a. Directors sitting fees to Mr. Mahendra N Mehta	2.50	1.50
b. Deposits with Mrs. Narinder Kaur and Mr. Amandeep Singh Gilotra	130.00	130.00
c. Rent to Mrs. Narinder Kaur	9.00	9.00
iv. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of goods and materials	256.28	1,432.16
b. Sale of goods, materials and power	559.80	194.91
c. Expenses / (Recovery) for services (net)	(61.91)	(118.77)
d. Amount payable / (receivable) at the year-end	<u>(136.80)</u>	<u>23.25</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Transactions with Sameta Exports Pvt. Limited and Pallor Trading Co. Pvt. Limited**

a. Payment on redemption of OCCPS	Nil	512.58
b. Interim Preference Dividend paid on OCCPS	Nil	1,019.53

	For the Year ended March 31, 2017 ₹ in lacs	For the Year ended March 31, 2016 ₹ in lacs
36 Earnings Per Share		
Weighted average number of equity shares of ₹ 10 each		
Issue of Partly paid up equity shares of ₹ 10 each, on November 10, 2015	Nil	18,000,000
Amount paid up per Share ₹ 5 hence considered proportionate	9,000,000	9,000,000
Number of Days in the current year for the partly paid up shares	157	142
Weighted average number partly paid up equity shares of ₹ 10 each	3,871,233	3,501,370
Balance at beginning of year	60,191,065	51,191,065
Weighted average number of equity shares of ₹ 10 each	64,062,298	54,692,435
Net Profit for the year	963.78	4,379.99
Less: Dividend and Dividend distribution Tax payable to OCCPS holders [Refer Note 2.2(b)]	Nil	270.96
Net Profit available to equity shareholders	963.78	4,109.03
Basic and diluted earnings per share (in Rupees)	1.50	7.51

37 Disclosure by way of Additional information as required for the preparation of Consolidated Financial Statements under Schedule III to the Companies Act, 2013 :

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities ₹ in lacs		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	₹ in lacs	As % of consolidated Profit or (Loss)	₹ in lacs
1	2	3	4	5
Parent :				
Saurashtra Cement Limited	93.35%	26,276.77	101.20%	975.40
	92.95%	24,635.30	100.23%	4,389.86
Subsidiaries Indian:				
1 Pranay Holdings Limited	2.12%	596.69	0.04%	0.41
	2.25%	596.28	-0.01%	(0.27)
2 Prachit Holdings Limited	2.10%	591.37	-0.03%	(0.29)
	2.23%	591.41	-0.01%	(0.27)
3 Ria Holdings Limited	2.11%	594.10	0.02%	0.17
	2.24%	593.92	-0.01%	(0.27)
4 Reeti Investments Private Limited	0.06%	16.63	-0.02%	(0.23)
	0.06%	16.67	-0.00%	(0.20)
5 Agrima Consultants International Limited	0.25%	71.53	-1.21%	(11.68)
	0.27%	70.77	-0.20%	(8.85)
Minority Interest	Nil	Nil	Nil	Nil
Current Year	100.00%	28,147.08	100.00%	963.78
Previous Year	100.00%	26,504.36	100.00%	4,379.99

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

As per our Report of even date attached

For and on Behalf of the Board of Directors

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

Jay M. Mehta
M. N. Rao
M. S. Gilotra
Rakesh H. Mehta
Sonal Sanas

Executive Vice Chairman
Director
Managing Director
Chief Financial Officer
Vice President (Legal) & Company Secretary

PARESH H. CLERK
Partner

Membership No. 36148
Mumbai, Dated May 23, 2017

Mumbai, Dated May 23, 2017



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

(₹ in Lacs)

Sl. No.	1	2	3	4	5	6
Name of the subsidiary	Pranay Holdings Limited	Prachit Holdings Limited	Ria Holdings Limited	Reeti Investments Private Limited	Agrima Consultants International Limited	Concorde Cement (Private) Limited
Share capital	1,000.00	1,000.00	1,000.00	400.00	40.41	9.19
Reserves & surplus	(403.31)	(411.34)	(405.90)	(390.28)	(155.43)	-
Total Assets	596.88	591.49	594.22	51.20	81.65	-
Total Liabilities	0.18	2.83	0.12	41.48	196.67	-
Investments	476.58	478.19	478.17	50.43	0.25	-
Turnover	0.80	0.00	0.51	-	25.04	-
Profit / (Loss) before taxation	0.51	(0.35)	0.21	(0.29)	1.27	-
Provision for taxation	0.10	-	0.04	-	0.95	-
Profit / (Loss) after taxation	0.41	(0.35)	0.17	(0.29)	0.32	-
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%

For and on Behalf of the Board of Directors

Jay M. Mehta	<i>Executive Vice Chairman</i>
M. N. Rao	<i>Director</i>
M. S. Gilotra	<i>Managing Director</i>
Rakesh H. Mehta	<i>Chief Financial Officer</i>
Sonali Sanas	<i>Vice President (Legal) & Company Secretary</i>

Mumbai, Dated May 23, 2017

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