



Gujarat Sidhee Cement
Limited



43rd ANNUAL REPORT
2016-17



BOARD OF DIRECTORS

As on 24.05.2017

Mr. M. N. Mehta
Mr. Jay M. Mehta
Mr. Y. K. Vyas
Mr. M. S. Gilotra
Ms. Juhi Chawla Mehta
Mr. S. V. S. Raghavan
Mr. P. K. Behl
Mr. M. L. Tandon
Mr. Bimal Thakkar
Mr. Hemnabh Khatau
Mr. Venkatesh Mysore
Mr. M. N. Rao
Mr. K. N. Bhandari
Mrs. Bhagyam Ramani

Chairman
Executive Vice Chairman
Nominee of GIIC Limited
Managing Director

CFO & Company Secretary

Mr. V. R. Mohnot

Bankers

HDFC Bank Ltd.
State Bank of India
State Bank of Bikaner & Jaipur

Auditors

M/s. Manubhai & Shah LLP
Chartered Accountants
Ahmedabad

Registered Office & Works

Off. Veraval - Kodinar Highway
Sidheegram 362 276
Dist. Gir Somnath (Gujarat)
Tel. 02876 - 268200, Fax: 02876 - 286540
CIN: L26940GJ1973PLC002245

Corporate Office

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

Registrars & Transfer Agent:

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

Website: www.gujaratsidheecementlimited.com

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors present the 43rd Annual Report along with the Audited Accounts and Auditors Report for the Financial Year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

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

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current F.Y. (2016-17)	Previous F.Y. (2015-16)	Current F.Y. (2016-17)	Previous F.Y. (2015-16)
Revenue from Operation (Net of Excise) & Other Income	4436.03	4758.82	4450.29	4759.06
Profit/(Loss) before Interest, Depreciation, Exceptional Items and Tax	(270.73)	15.83	(261.11)	15.86
Finance Cost	32.14	46.76	41.41	56.99
Profit/(Loss) before Depreciation, Exceptional Items and Tax	(302.87)	(30.93)	(302.52)	(41.13)
Depreciation & Impairment	87.57	88.07	87.57	88.07
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	(390.44)	(119.00)	(390.09)	(129.20)
Tax Expense	-	-	0.03	-
Deferred Tax Adjustment	-	(46.76)	-	(46.76)
Profit/(Loss) before share in profits of Associate of Subsidiary	-	-	(390.12)	(82.44)
Share in Profit of Associate of Subsidiary	-	-	19.72	89.82
Profit/(Loss) after Tax	(390.44)	(72.24)	(370.40)	7.38
Brought forward Profit/ (Loss) from earlier years	216.45	288.69	397.50	390.12
Balance of Profit/(Loss) carried to Balance Sheet	(173.99)	216.45	27.10	397.50

THE YEAR UNDER REVIEW

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% in the Index of Industrial Production) during 2016-17 declined by 1.3 % 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 manufacturing cost continued to be on the higher side owing to cost of available power, fuel and procurement of limestone from distant sources. The infrastructural constraints in rail and ports continue to adversely affect the economic transportation of cement to distant markets. The higher cost of manufacturing coupled with lower cement prices resulted in heavy losses during the year.

PERFORMANCE REVIEW

Production and Sales

The production of clinker for the year ended March 2017 was 1.32 million tonnes, which is around 4 percent lower than the clinker production of 1.37 million tonnes for the previous year ended March 2016. In the month of November, clinker production was suspended for a week on account of higher clinker inventory.

The cement production for the year ended March 2017 is 1.33 million tonnes, which is around 4 percent higher than the cement production of 1.28 million tonnes for the previous year ended March 2016.

Additionally, clinker was sold in the local and export market and the overall sales (cement and clinker) is 1.43 million tonnes during the year ended March 2017, which is around 3 percent lower than the overall sale of 1.47 million tonnes in the previous year ended March 2016.

Export

The export of cement for the year ended March 2017 was 0.007 million tonnes as compared to 0.025 million tonnes in the previous year. The export market remained less viable with unremunerative prices and high cost of transportation to the available port.

Overall Performance

During the year under review, the Company continued to face hurdles from all corners. The overall sluggish markets post demonetization rising cost of production and other restrictions like stringent norms of power purchase, steep rise in the petcoke prices posed hardship on the Company. The lower cement prices, especially in the second half of the year, with higher cost of raw materials, fuel and transportation resulted in poor overall performance. However, the Company was able to utilize the surplus capacity by capturing the new markets in Kerala.

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**.

CHANGES IN SHARE CAPITAL

The paid up Equity Share Capital of the Company (including the forfeited shares) as on 31st March 2017 is ₹ 8620.69 lacs and there is no change in the capital.

DIVIDEND

In view of the loss for the year, the Directors have not recommended any dividend for the Financial Year ended March 31, 2017.

INDIAN ACCOUNTING STANDARD (IND AS) – IFRS CONVERGED STANDARDS

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 1, 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 form part of the Annual Report.

The Consolidated Net Loss of the Company (after the share in profit of the Associate of the Subsidiary) amounted to ₹ 3704.03 lacs for the Financial year ended 31st March 2017 as compared to a Net Profit of ₹ 73.81 lacs in the previous year.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has one subsidiary Company.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended 31st March 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 SEBI (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 the 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 believes in inclusive growth to facilitate creation of a value based and empowered society through continuous and purposeful engagement with society around.

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

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

During the year under review, despite of carry forward losses, the Company although was not obliged to spend on the CSR activities under Section 135 of the Companies Act, 2013 has undertaken certain CSR activities. The Company is being taking various initiatives in the villages in the immediate vicinity of plant locations. The Company continues to provide medical aid, drinking water and quality education to the nearby habitants. The performance of the students in the school managed by the Company has been remarkable during the year.

Various CSR activities undertaken during Financial Year 2016-17 has been provided in Management Discussion and Analysis report.

LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not granted any Loan, Guarantees or made Investments within the meaning 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.

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 lively manner. The risks are periodically reviewed and reported to the Audit Committee and Board on 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 & KEY MANAGERIAL PERSONNEL**Reappointment of Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Venkatesh Mysore (DIN: 01401447) and Mr. Y. K Vyas (DIN: 03420201) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. Brief resume of the Directors seeking re-appointment along with other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, are enclosed herewith as **Annexure D**.

The Board recommends the re appointment.

Appointment / Change in Key Managerial Personnel :

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

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. Manubhai & Shah LLP, 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. Banshi S. Mehta & Co, 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. Banshi S. Mehta & Co, Chartered Accountants that their appointment, if made, will be in conformity with the limits specified in the Section 143(1)(g) of the Companies Act, 2013.

Secretarial Auditors

M/s Ragini Chokshi & Company, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2016 – 17. The report of the Secretarial Auditor is annexed as **Annexure E** 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. Manubhai & Shah LLP, 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. M. Goyal & Co. Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2017-18. A Certificate of eligibility under Section 148 of the Companies Act, 2013 has been received. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to M/s. M. Goyal & Co., Cost Auditor, is included at item no.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 & Policy

The Company has a Nomination & Remuneration Committee and has also adopted a Remuneration 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 policies, etc.

Number of Board Meetings

During the year under review four meetings of the Board of Directors were held. The meetings were held on 27th day of May 2016, 2nd day of August 2016, 25th day of October 2016 and 25th day of January 2017.

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

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

Particulars of Employees

There were 424 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 H**.

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://gscl.mehtagroup.com/investors>.

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

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

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

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 Annual General Meeting. The other details as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Section 134 (3) of the Companies Act, 2013 are mentioned in the Corporate Governance Report.

Other Disclosures:

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

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- 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 Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid listing fees as prescribed for Financial Year 2017 - 18.

Staff Relations

Industrial relations at our factory and offices remained cordial.

Awards

The Company always believes in sustainable development of society and protection of environment. The Company's thrust in protecting environment in and around mines and plant operations by promoting Environmental training and aware programmes, conservation of natural resources and Safety management have been very well recognised by various accredited organizations. The Company has accordingly being conferred various awards as under :-

1. Rashtra Vibhushan Award 2017 towards Excellence in Environment Protection from Foundation for Accelerated Mass Empowerment:-
The foundation for Accelerated Mass Empowerment had organized awards for industries for their contribution in the field of Corporate Social Responsibility, Safety & Health, Environment protection. The Company had participated in second consecutive year and has successfully awarded Rashtra Vibhushan Award 2016-17 in Platinum Category for second consecutive time. The award has attracted 250 nominations across the country in various categories.
2. Environmental Excellence Award 2016 for Environmental protection in Platinum category from Foundation for Accelerated Mass Empowerment :-
The Company was evaluated on various credentials and practices like Pollution control, Greenbelt development measures, Environmental training & awareness programmes, conservation of natural resources, Environmental audits & system implementation and based on the standards and norms adopted by the Company in these areas, the Company has been awarded Environmental Excellence Award 2016 for Environmental Protection in Platinum Category.
3. Greentech Environment Award 2017 "Gold Award in Cement Sector" from Greentech Foundation:-
The Greentech Foundation has been established in the year 2000 to promote education, training, research and dissemination of knowledge, advancing the scientific, technical and practical aspects of Environment protection, Human resources, CSR and Safety at work place. The Company was evaluated on various criterias like best pollution control practices, Greenbelt development measures, Environmental training & awareness programmes, conservation of natural resources, Environmental audits & system implementation and has been awarded Greentech Environment Award 2017 in Gold category in Cement sector.
4. Exceed Award-2017 for outstanding achievement in Environment Preservation from NGO "Ek Kaam Desh Ke Naam":-
The Company bagged the Exceed Award 2017 in Platinum category for its outstanding efforts for preservation of environment and pollution control.

Acknowledgement

The Directors thank the Central Government, Government of Gujarat, Financial Institutions, Bankers, Shareholders, 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 : 24.5.2017

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% 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% 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%. 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 un-remunerative 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 consumption 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 to 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.

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

Segment Review and Analysis

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

Risks and Concerns

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.

Non availability of new mines and high incidence of taxes and duties are also the matter of concern for the industry. The delay in getting the required mining lease for the additional mining areas is a great concern as the availability of limestone has substantially reduced in the existing limestone mines.

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.

The manufacture of cement is an energy intensive process requiring large quantities of energy. In order to subsidize in energy cost, the Company is in progress of installation of 5.6 MW Waste Heat Recovery Plant, which shall improve the energy efficiency and reduce the overall power cost to some extent.

Absence of railway siding and a port near the factory results in increase in cost of transportation to farther markets of Gujarat as well as the markets outside Gujarat. The Company proposes to set up a captive jetty to mitigate the risk.

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

Cementing, reinforcing & concreting is what we emphasize when it comes to manpower management, we inbuilt “Mazbooti gazab Ki” not only in product but also in the most valued assets of our organization “We the people”. When it comes to HR functions, the organization leaves no stone unturned to ensure that the backbone of the Company, manpower are taken utmost care. Employee engagement activities, knowledge enhancement, upgrading of skills & other various development initiatives are just next-door. Company endeavor’s to provide the best of work culture & talent enhancement programs.

Instilling the best in our manpower & nurturing them in our cradle of leadership, we not only raise them towards a new horizon, but we make them the corporate leaders of tomorrow, who would be at the helms in the times to come, Yes we here believe in benchmarking the benchmarks.

People come first & always, the management consistently keeps plethora of options, for individual professional skill enhancement & interpersonal relations. One such recent initiative taken was “Talk to me “, an open dialogue with the HR, which will help aligning the companies objectives & employees expectations, taking both to an upward trend.

Our bond of relations not only ends at the employees door, in fact it’s a step ahead, keeping our stakeholders, vendors, investors on the flowering tentacles, which is nurtured from time to time via roping in corporate business principles, leadership traits & code of ethics.

As on 31.03.2017 the Company portrayed a family to the count of 424 permanent employees.

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

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and first aid training programs for employees and workers. Your Company continues to contribute towards the Medical Centre and occupational health services.

What we portrayed is what we proved, as there were not a single IR incident reported, across our areas of operations & business. The Company operated its plant continuously for 383 days without any accidents, which is a milestone in the history of the Company.

Education

The Company has been providing education up to 10th Standard for the children of the employees and local community staying in nearby areas. out of 31 students who has appeared in 10th CBSE Board Exam, 4 Students have scored 10 of 10 CGPA and school achieved 100% result in CBSE Board Examination.

The Company is facilitating the children having difficulty in commuting to Veraval for studying in English medium schools/Colleges with school bus facility.

During the year under review, the Company has also added a new nursery section in view of higher demand from nearby community.

Reforestation

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 4500 with cumulative of over two lakh trees in the last decade with survival rate of more than 90%. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

Cautionary Statement

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

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

On behalf of the Board of Directors

Place : Mumbai
Dated : 24.5.2017

M. S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF 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, employees and other stakeholders.

The SEBI (Listing obligations 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 a strong and effective corporate governance. At GSCL, 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.

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

b) Committees of Board:

With a view to have better transparency in various areas of the business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship & Grievances Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance 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, risk management framework and allotment of securities.

c) Executive Management :

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

3. BOARD OF DIRECTORS :

(i) Composition (As on 31.3.2017)

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

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

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

3.1 Profile of Directors

The brief profile of each Director is given below:

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

Mr. M. N. Mehta, aged 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 Saurashtra Cement Limited and all subsidiary companies in India.

He joined the Board of the Company in December, 1984 and was reappointed in current term on 23.8.2016.

(ii) Mr. Jay Mehta (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 Saurashtra Cement Limited and Board member of various subsidiary companies, private and public limited companies in India. Mr. Jay Mehta is a Member of Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Board.

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

(iii) Mr. Hemnabh R. Khatau (Non-Executive Director, Non-Independent)

Mr. Hemnabh R. Khatau, aged 55 years, has graduated with B.A (Electrical Engineering) from Cambridge University, MSc. (Microprocessor Engineering) (UMIST) and MSc (Sloan Fellowship Master Programme, London Business School). He has track record of successful Board level line management in manufacturing and financial services sectors. He has wide experience in developing and implementing successful strategies for growth and improving performance. He has worked in UK for a decade in various positions in the consulting practices of Capgemini UK, KPMG and Indeco IMC. He is also Director of Saurashtra Cement Limited and on the Board of subsidiary companies.

He joined the Board of the Company in October, 2008 and was reappointed in current term on 22.9.2015.

(iv) Mr. Venkatesh Mysore (Non-Executive Director, Non-Independent)

Mr. Venkatesh Mysore, aged 58 years, is qualified MBA in Marketing & Finance from Madras University and also attained his Chartered Life Underwriter (CLU) designation from the American College in 1991. He has got more than 25 years experience and his last assignment was that of the India Country Head of Sun Life Financial of Canada since January 2007 and prior to that he was with Metlife, USA for over 21 years. He is also on the Board of several public limited companies. Mr. Venkatesh Mysore is the Chairman of Stakeholders Relationship & Grievances Committee and Member of Allotment Committee of the Board.

He joined the Board of the Company in October, 2010 and was reappointed in current term on 26.6.2012.

(v) Mrs. Juhi Chawla Mehta (Non-Executive Director, Non-Independent)

Mrs. Juhi Chawla Mehta, aged 50 years, is Commerce Graduate from University of Mumbai with Honors. She is renowned Cine Artist. She is also on the Board of private limited companies. She is the Member of Corporate Social Responsibility (CSR) Committee of the Board.

She joined the Board of the Company on 31.5.2014.

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

Mr. Y. K. Vyas, aged 60 years, has done B. E. (Mech). Mr. Vyas is working as Manager (Projects) and Zonal Manager (Rajkot) of Gujarat Industrial & Investment Corporation Ltd.

He joined the Board of the Company in 10.2.2015.

(vii) Mr. M. L. Tandon (Non-Executive Director, Independent)

Mr. M. L. Tandon, aged 78 years, has done M.S.E.E.(Purdue), USA, MBA (U.S.C,U.S.A). He is an Industrialist. He is on the Board of several private and public limited companies. He is the Member of Audit Committee and Nomination & Remuneration Committee of the Board.

He joined the Board of the Company in July, 1987 and was reappointed in current term as Independent Director on 31.5.2014.

(viii) Mr. S. V. S. Raghavan (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 Chairman of Audit Committee and Nomination & Remuneration Committee of the Board.

He joined the Board of the Company in April, 1992 and was reappointed in current term as Independent Director on 31.5.2014.

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

Mr. P. K. Behl, aged 74 years, is First Class First Graduate Double Gold Medalist in Special Economics 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 is the Member of Audit Committee and Nomination & Remuneration Committee of the Board.

He joined the Board of the Company in October, 2001 and was reappointed in current term as Independent Director on 31.5.2014.

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

Mr. Bimal 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 limited companies. He is a Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board.

He joined the Board of the Company in October, 2008 and was reappointed in current term as Independent Director on 31.5.2014.

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

Mr. M. N. Rao, aged 80 years, is Science Graduate and Mechanical Engineer. He has worked with IDBI and has wide experience in Cement Industry.

He joined the Board of the Company as Independent Director on 31.5.2014.

(xii) Mr. K. N. Bhandari (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 limited companies.

He joined the Board of the Company as Independent Director on 31.5.2014.

(xiii) Mrs. Bhagyam Ramani (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 limited companies.

She joined the Board of the Company as Independent Director on 5.8.2014.

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

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

3.2 Directors Resigned during the year.

None of the directors resigned during the year.

3.3 Appointment / Re-appointment of Directors

Mr. Venkatesh Mysore and Mr. Y. K Vyas, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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

3.4 Meetings, agenda and proceedings etc. of the Board Meeting.

During the financial year under review, the Board had 4 meetings. The meetings were held on the 27th day of May 2016, 2nd day of August 2016, 25th day of October 2016 and 25th 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 23rd 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	3	No	Father of Mr. Jay Mehta	--
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	4	Yes	Son of Mr. M. N. Mehta	1000
3.	Mrs. Juhi Chawla Mehta	Non-Executive, Non-Independent	2	No	Wife of Mr. Jay Mehta	78600
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	3	No	--	--
5.	Mr. Venkatesh Mysore	Non-Executive, Non-Independent	2	No	--	--
6.	Mr. Y. K. Vyas GLIC Nominee	Non-Executive, Non-Independent	2	No	--	--
7.	Mr. M. L. Tandon	Non-Executive, Independent	2	No	--	--
8.	Mr. P. K. Behl	Non-Executive, Independent	4	Yes*	--	--
9.	Mr. S.V.S. Raghavan	Non-Executive, Independent	2	No	--	--
10.	Mr. Bimal Thakkar	Non-Executive, Independent	1	No	--	--
11.	Mr. M. N. Rao	Non-Executive, Independent	4	Yes	--	--
12.	Mr. K. N. Bhandari	Non-Executive, Independent	3	No	--	--
13.	Mrs. Bhagyam Ramani	Non-Executive, Independent	3	No	--	--
14.	Mr. M.S. Gilotra	Managing Director, Non-Independent	4	No	--	--

*As alternate Chairman of Audit Committee.

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

Agenda:

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

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

3.5 Other Directorships

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

The details of the Directorships and Committee memberships in other Companies 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.	Mrs. Juhi Chawla Mehta, Non-Executive, Non-Independent	-	-	-
4.	Mr. Hemnabh Khatau, Non-Executive, Non-Independent	6	-	-
5.	Mr. Venkatesh Mysore, Non-Executive, Non-Independent	2	1	-
6.	Mr. Y. K. Vyas, Non-Executive, Non-Independent	5	-	-
7.	Mr. M. L. Tandon, Non-Executive, Independent	9	-	-
8.	Mr. S. V. S. Raghavan, Non-Executive, Independent	1	-	1
9.	Mr. P. K. Behl, Non-Executive, Independent	1	-	-
10.	Mr. Bimal Thakkar, Non-Executive, Independent	3	-	2
11.	Mr. M. N. Rao, Non-Executive, Independent	1	1	-
12.	Mr. K. N. Bhandari, Non-Executive, Independent	9	2	2
13.	Mrs. Bhagyam Ramani, Non-Executive, Independent	7	-	2
14.	Mr. M. S. Gilotra, Managing Director, Non-Independent	1	-	2

* Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.

** Chairmanship/Membership of Committee includes only Audit Committee and Stakeholders' Relationship Committee in Indian Public Limited Companies other than Gujarat Sidhee Cement Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committee or Chairperson of more than five such Committees.

3.6 Independent Directors

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meeting held on 18th 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.

3.7 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://gscl.mehtagroup.com/announcements>.

3.8 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.

4. 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 6 members viz. Mr. S. V. S. Raghavan, Mr. M. L. Tandon, Mr. P. K. Behl, Mr. Bimal Thakkar and Mr. M. S. Gilotra, Managing Director of the Company. Mr. M. N. Rao, Independent Director was inducted as member of the Committee w.e.f. 12-5-2017. Mr. S. V. S. Raghavan is the Chairman of the Audit Committee.

During the year under review, the Committee had 4 meetings. The meetings were held on 27th day of May 2016, 2nd day of August 2016, 25th day of October 2016 and 25th day of January 2017. Partners/Representative from M/s. Haribhakti & Co LLP, Chartered Accountants –Internal Auditors, M/s Manubai & Shah LLP, Chartered Accountants-Statutory Auditors also attended the meetings.

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

Members of the Audit Committee	No. of meetings held	No. of meetings attended
Mr. S. V. S. Raghavan, Chairman	4	3
Mr. M. L. Tandon, Member	4	2
Mr. P. K. Behl, Member	4	4
Mr. Bimal Thakkar, Member	4	1
Mr. M. S. Gilotra	4	4
Mr. M. N. Rao (Inducted as Member w.e.f. 12-5-2017)	4	-

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

Terms of reference

To:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approve payment to Statutory Auditors for any other services rendered by them.
4. Review 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;

5. 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. Mrs. Juhi Chawla Mehta - Member
4. Mr. Bimal Thakkar - Member

During the year under review, the Committee had one meeting held on 27th day of May 2016. Details of CSR Committee Meeting attended by the Members are given below:

Members of the Audit Committee	No. of meetings held	No. of meetings attended
Mr. Jay Mehta, Executive Vice Chairman	1	1
Mr. M. S. Gilotra, Member	1	1
Mrs. Juhi Chawla Mehta, Member	1	1
Mr. Bimal Thakkar, Member	1	-

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

Terms of Reference:

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

6. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of four Independent Directors viz. Mr. S. V. S. Raghavan, Mr. P. K. Behl and Mr. M.L. Tandon. Mr. K. N. Bhandari, Independent Director was inducted as member of the Committee w.e.f. 24-5-2017. Mr. S. V. S. Raghavan is the Chairman of the Nomination and Remuneration Committee.

During the year under review, one meeting of Nomination and Remuneration Committee was held on 27th day of May 2016.

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

Sr. No.	Members of Nomination and Remuneration Committee	No. of meetings held	No. of meetings attended.
1.	Mr. S.V.S. Raghavan (Chairman)	1	1
2.	Mr. M. L. Tandon (Member)	1	1
3.	Mr. P. K. Behl (Member)	1	1
4.	Mr. K. N. Bhandari (Inducted as Member w.e.f. 24-5-2017)	1	-

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

Terms of Reference

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

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

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 under the provisions of the Act along with Schedule V as and when required.

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

DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR 2016-17.

Executive Directors :

₹ in Lacs

Name	Salary & Allowances	Perquisites	Contribution to PF	Contribution to Super-annuation	Total
Mr. Jay M Mehta, Executive Vice Chairman	232.53	-	17.28	-	249.81(*)
Mr. M. S. Gilotra, Managing Director	129.77	-	11.59	-	141.36

The above Executive Directors were appointed for a period of 5 years effective from 1st day of January, 2016 and the appointments can be terminated by either side by giving three months' notice in writing.

(*) Refer Note No. 33(B) of Notes to Accounts.

Non-Executive Directors :

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

Director	No. of Board Meetings attended	No. of Committee Meetings attended	Total	Amount of sitting fees paid (₹)
Mr. M. N. Mehta, Chairman	3	-	3	1,50,000
Mr. M. L. Tandon	2	3	5	2,50,000
Mr. S. V. S. Raghavan	2	4	6	3,00,000
Mr. P. K. Behl	4	5	9	4,50,000
Mr. Bimal Thakkar	1	1	2	1,00,000
Mr. Hemnabh Khatau	3	-	3	1,50,000
Mr. Venkatesh Mysore	2	2	4	1,40,000
Mrs. Juhi Chawla Mehta	2	1	3	1,20,000
Mr. M.N. Rao	4	-	4	2,00,000
Mr. K. N. Bhandari	3	-	3	1,50,000
Mr. Y.K.Vyas, GIIC Nominee	2	-	2	1,00,000
Mrs. Bhagyam Ramani	3	-	3	1,50,000
Total				22,60,000

The Company has not issued any stock options to any Directors and Employees for the Financial Year ended 31.3.2017 nor in the past.

7. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

The Committee consist of following Directors viz. Mr. Jay Mehta, Mr. Venkatesh Mysore and Mr. M. S. Gilotra. Mr. Venkatesh Mysore is the Chairman of the Committee. Mr. V. R. Mohnot, CFO & Company Secretary is designated as the Compliance Officer who oversees the redressal of the investor grievances.

During the year under review, the Committee had 4 meetings. The meetings were held on 27th day of May 2016, 2nd day of August, 2016, 25th day of October 2016 and 25th day of January 2017.

Members of Stakeholders Relationship & Grievances Committee	No. of meetings held	No. of meetings attended
Mr. Jay Mehta, Executive Vice Chairman	4	4
Mr. M. S. Gilotra, Managing Director	4	4
Mr. Venkatesh Mysore, Director	4	2

During the year, the Company received 13 complaints / letters from the shareholders which were attended to / resolved satisfactorily. All requests for transfer of shares have been processed normally within the prescribed time.

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

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.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

9. GENERAL BODY MEETINGS:**(i) Annual General Meetings**

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

Financial Year	Date	Time	Venue	Dividend declared
2015-16	23.08.2016	10.00 a.m.	Registered Office at "Sidheeegram" Off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Gir Somnath	Nil
2014-15	22.09.2015	10.30 a.m.	-do-	Nil
2013-14	18.09.2014	4.30 p.m.	-do-	Nil

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

Financial Year	Date of AGM	Particulars of Special Resolution
2015-16	23.08.2016	1. Approval of Members was sought that in case of default by the Company, SREI Infrastructure Limited shall have an option to convert the defaulted loan amount into equity shares of the Company, at any point of time during the currency of the loan at valuation as per terms of the agreement subject to the then prevailing SEBI guidelines / Regulations / relevant provisions under Companies Act, 2013.
2014-15	22.09.2015	<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. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for the Financial Year ended 31st March 2015. 3. Payment of Remuneration to Mr. Jay Mehta, Executive Vice Chairman for the period 1.4.2015 to 31.12.2015. 4. 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 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 5. Payment of Remuneration to Mr. M. S. Gilotra, Managing Director for the period 1.4.2015 to 31.12.2015. 6. 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 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 7. Related Party Transactions pursuant to the provisions of Section 188 and any other application provisions of the Companies Act, 2013.
2013-14	18.9.2014	<ol style="list-style-type: none"> 1. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for Financial Year ended 31st March 2014. 2. Waiver of excess remuneration paid to Mr. M. S. Gilotra, Managing Director for Financial Year ended 31st March 2014. 3. Power to the Board of Directors to create mortgage or charge on its movable or immovable properties for an amount not exceeding ₹ 500 crores in terms of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013. 4. Power to the Board of Directors to borrow money upto ₹ 500 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. 5. 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.

10. DISCLOSURES:**i) Related Party / Material Transactions**

- a) The details of all transactions with related parties are placed before the Audit Committee and Board. The Company has a policy on dealing with the related party transactions. The related party transactions policy is available on the website of the Company. The web-link to the same is: <http://gscl.mehtagroup.com/policy/related-party-transactions-policy>.
- b) 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. 33 of Notes forming part of financial statements.

ii) Penalties, Strictures by Stock Exchange (s) / SEBI

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.

iii) Policy for determining the Material Subsidiaries:

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

iv) 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.

v) Disclosure on Risk Management:

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

vi) 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 CEO and CFO to the effect that the Board of Directors and the senior management has complied with the Code of conduct forms part of this report.

vii) 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.

viii) Policy for preservation of documents

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

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

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

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

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

11. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These results are published in Jaihind in Rajkot and in Business Standard, in Ahmedabad and Mumbai. The Company has not sent the reports to each household of shareholders. The Company has not made any presentation to the Institutional Investors or Analysts. These results are simultaneously posted on the website of the Company at <http://gscl.mehtagroup.com/investors/financials> and NSE Electronic Application processing system (NEAPS) listing.centre@bseindia.com.

12. GENERAL SHAREHOLDERS INFORMATION:

i)	Audited results for the current Financial Year ended 31 st March 2017.	24 th 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 Regulations 2015
iii)	Annual General Meeting is proposed to be held	25 th July 2017	
iv)	Date of Book closure	Monday the 17 th July 2017 to Tuesday the 25 th 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.	518029 Demat ISIN No.INE542A01039
b)	The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.	GSCLCEMENT

vi) Listing Fees:

The Company has paid Listing Fees for the Financial Year 2017-18 to the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd (NSE), where the Company's shares are listed.

vii) Registrar & Share Transfer Agent:

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

No complaint received from the shareholders / investors is pending as on 31.3.2017 relating to transfer of shares.

viii) Share Transfer System

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

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

ix) Distribution of Shareholding as on 31.3.2017:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	57666	91.80	6121793	6.83
501 – 1000	2368	3.77	1794645	2.19
1001 – 2000	1350	2.15	2010747	2.32
2001 – 3000	530	0.84	1210317	1.55
3001 – 4000	193	0.31	632339	0.80
4001 - 5000	194	0.31	888710	1.08
5001 - 10000	257	0.41	1925269	2.17
10001 – above	261	0.41	71570032	83.06
TOTAL	62819	100.00	86153852	100.00

x) Shareholders Profile as on 31.3.2017:

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	17	0.03	61978076	71.94
Bodies Corporate	566	0.90	3488126	4.05
NRIs	532	0.85	259328	0.30
FII's	11	0.02	23175	0.03
Financial Institutions	1	-	275	-
Banks	8	0.01	266247	0.31
Mutual Fund	7	0.01	31256	0.04
Overseas Corporate Bodies	2	-	8550	0.01
Indian Public	61675	98.18	20098819	23.32
Total	62819	100.00	86153852	100.00

xi) Dematerialization of shares:

As on 31.3.2017, 8,48,56,070 equity shares constituting 98.49% of the Company's total paid-up share capital were held in dematerialized form with NSDL and CDSL.

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

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

xiii) Stock Market price data for the period 2016 – 2017:

GSCL Price on BSE & NSE

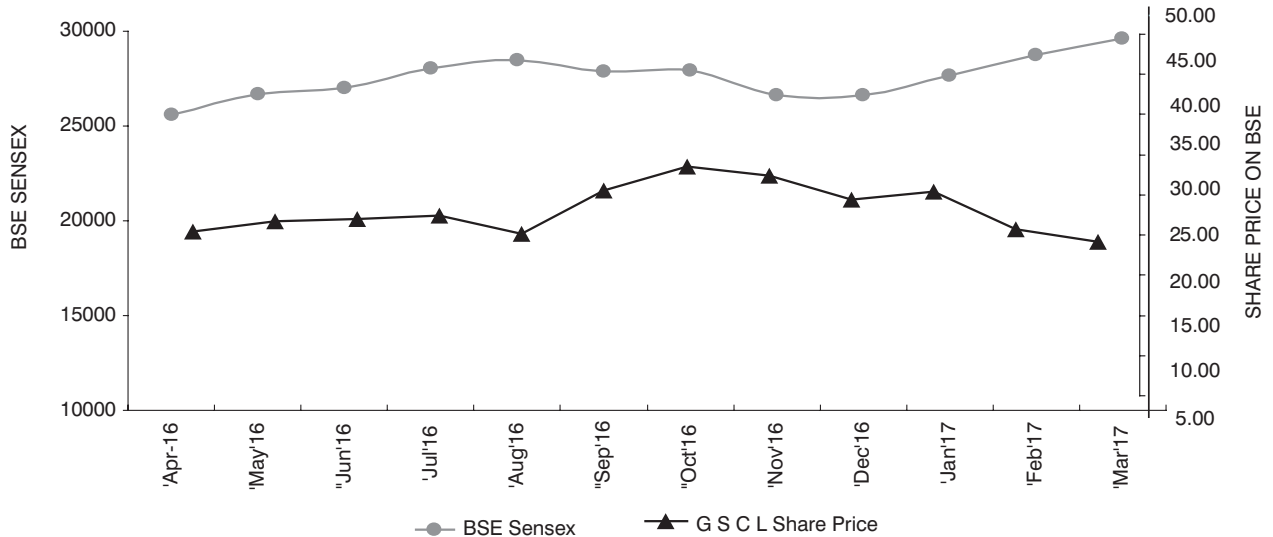
(Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2016	31.85	24.95	30.00	25.85
May 2016	29.80	24.00	28.20	24.30
June 2016	31.90	24.60	31.10	24.75
July 2016	34.85	28.40	33.70	28.70
August 2016	36.25	29.50	33.90	29.75
September 2016	32.55	28.10	31.95	28.10
October 2016	33.20	29.00	32.60	29.25
November 2016	30.60	22.50	29.90	22.90
December 2016	27.95	23.00	27.25	23.55
January 2017	26.75	24.05	24.20	25.40
February 2017	28.90	25.50	27.95	26.05
March 2017	30.85	25.55	27.85	25.85

xiv) Stock Performance (Index)

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

April 2016 to March 2017



Plant Location :

"Sidheegram" Off Veraval – Kodinar Highway, Dist. Gir Somnath, Pin Code 362 276. Gujarat.

(xv) Address for correspondence :

- Registered Office is situated at "Sidheegram", off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Gir Somnath, Gujarat.
Email id : sidhee-mum@mehtagroup.com
- Corporate Office : N. K. Mehta International House, 2nd Floor,
178 Backbay Reclamation, Mumbai 400 020.
E-mail id : sidhee-mum@mehtagroup.com

Shareholder correspondence should be addressed to Registrars & Transfer Agent :

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

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

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

xvi) Mandatory requirement of PAN:

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

13. 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 Financial Results are published in English Newspaper having circulation all over India and in a Gujarati Newspaper widely circulated in Gujarat, the same are not sent to each Shareholder.

(c) Auditor's Opinion:

The Company's Standalone Financial Statements for the year ended 31st March 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". CFO & Company Secretary of the Company is the "Compliance Officer". The Code of Conduct is applicable to all the Directors and designated employees.

(g) Subsidiary Company

The Company has material non listed Indian Subsidiary Company as on 31.3.2017 namely M/s.Villa Trading Co. Private Limited. The Company has appointed Mr. Bimal Thakkar, an Independent Director on the Board of subsidiary Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 24.5.2017

M. S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

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

Place : Mumbai
Dated : 24.5.2017

M. S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
GUJARAT SIDHEE CEMENT LIMITED

Auditors' Certificate on Corporate Governance

We have examined the relevant records of Gujarat Sidhee Cement Limited (the Company) for the year ended March 31, 2017 relating to compliance of conditions of Corporate Governance stipulated as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 ('Listing Regulations') for the year ended on 31 March 2017.

Management's responsibility

The Company's management takes full responsibility of the compliance of the conditions of corporate governance as stipulated in the regulations mentioned above.

Auditors' responsibility

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

We conducted our engagement in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our responsibility is to certify based on the work done.

Conclusion

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Listing regulations.

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

For Manubhai & Shah LLP

Chartered Accountants
ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner
Membership No. 131508

Place: Mumbai

Date: May 24, 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
Saurashtra Cement Limited – Associate Company.
- (b) Nature of contracts/arrangements/transactions
 - a. Purchase of power of upto 5 MW under wheeling arrangement for a term of 3 to 5 years.
 - b. Sale / Purchase 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.
27th May 2016
- (f) Amount paid as advances, if any.
NIL

On behalf of the Board of Directors

Place : Mumbai
Dated : 24.5.2017

M. S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Annexure D

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

Name of Director	Mr. Venkatesh Mysore	Mr. Y. K. Vyas
Date of Birth	30 th December, 1958	11 th December, 1958
Date of Appointment	Initially joined the Board in October 2010 and was reappointed on 22.9.2015.	10 th February 2015
Expertise in specific General Functional area	Financial Services	Projects
Qualification	BA in Economics and MBA in Marketing & Finance. He has also attained his Chartered Life Underwriter (CLU) designation from the American College in 1991.	B.E. (Mechanical)
List of outside Director ships held (Public Limited Companies)	<ol style="list-style-type: none"> 1. Oberoi Realty Limited 2. Oberoi Constructions Limited 	<ol style="list-style-type: none"> 1. Gujarat Lease Financing Limited. 2. Gujarat Industrial & Technical Consultancy Organisation Ltd. 3. Gujarat Poly Electronics Limited 4. Gujarat State Machine Tools Corporation Ltd 5. Gujarat Trans Receivers Limited.
Chairman/ Member of the Committee of the Board of Directors of the Company	Chairman of Stakeholders Relationship & Grievances Committee	Nil
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director		
a) Audit Committee	Nil	Nil
b) Shareholders Committee	Nil	Nil
c) Shares held by the Directors in the Company	Nil	Nil

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,
GUJARAT SIDHEE CEMENT LIMITED
Sidheegram, Veraval,
Junagadh, Gujarat-362 276.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT SIDHEE CEMENT LIMITED (CIN: L26940GJ1973PLC 002245)** (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)

C.P. No. 1436

FCS No. 2390

Place: Mumbai

Date: 04-05-2017

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

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on Conservation of Energy.

1. Installed MV drive in main Bag House fan to reduce the specific power consumption.
2. Installed new design Kiln inlet seal to reduce the Specific Fuel consumption by reducing false air in PH string.
3. Installed Loss in Weight System in Kiln & Calciner coal firing for accuracy of Coal consumption.

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

- Installation of WHR System for further reduction of energy is in process.

c) The capital investment on energy conservation equipment :

- Capital invested for items mentioned in (a) and (b) above during the year was ₹ 2431.34 lacs.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption :

1. Detailed study has been carried out by M/s Holtec to install WHRS.
2. As per annual Energy audit recommendations installed MV drive in RABH fan.

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

1. Reduction in Specific Energy consumption

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

a) Details of technology absorbed

1. Installed MV drive in main Bag House fan – Delta, Taiwan
2. Installed Loss in Weight System in Kiln & Calciner coal firing for accuracy of Coal consumption – Schwenk process, Germany

b) Year of Import;

1. FY 2016-17
2. FY 2016-17

c) Whether the technology been fully absorbed;

- Yes

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

- NA

e) Expenditure incurred on Research and Development (R&D)

- NA

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	853.27	2,475.71
Foreign Exchange used	6,261.53	3,433.67

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	L26940GJ1973PLC002245
2.	Registration Date	29 th March, 1973
3.	Name of the Company	GUJARAT SIDHEE CEMENT LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares Capital / Indian Non-Government Company
5.	Address of the Registered office & contact details	Off Veraval-Kodinar Highway, Sidheegram – 362 276, Tal: Sutrapada, District: Gir Somnath, Gujarat Tel. No. 02876-268200, Fax : 02876-268540 E-mail : gsclinvestorquery@mehtagroup.com, Website : www.gujaratsidheecementlimited.com
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), 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

S. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Galaxy Technologies Pvt. Ltd	U72200MH2004PTC147819	Holding	100	2(46)
2.	Bhadra Textiles & Trading Pvt. Ltd	U51909MH2014PTC253048	Holding	61	2(46)
3.	Villa Trading Company Pvt. Ltd	U51900MH1994PTC076992	Subsidiary	100	2(87)
4.	Saurashtra Cement Limited	L26941GJ1956PLC000840	Associate	0	2(6)

Note: (Gujarat Sidhee Cement Limited holds 20.46% shares in the company Saurashtra Cement Limited through its Subsidiary Villa Trading Co. Private Ltd.)

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

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	280525	5950	286475	0.33	81525	5950	87475	0.10	-0.23
b) Central Govt.									
c) State Govt.(s)	8252697	-	8252697	9.58	8252697	-	8252697	9.58	0.00
d) Bodies Corp.	51486129		51486129	59.76	51485154	-	51485154	59.76	0.00
e) Banks / FI									
f) Any other									
Sub -Total (A)(1)	60019351	5950	60025301	69.67	59819376	5950	59825326	69.44	-0.23

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) Foreign									
a) NRIs- Individuals									
b) Other - Individuals									
c) Bodies Corp.	1952750	-	1952750	2.27	2152750	-	2152750	2.50	0.23
d) Banks / FI									
e) Any other									
Sub -Total (A)(2)	1952750	-	1952750	2.27	2152750	-	2152750	2.50	0.23
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	61972101	5950	61978051	71.94	61972126	5950	61978076	71.94	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	31256	31256	0.04	-	31256	31256	0.04	0.00
b) Banks / FI	791764	26800	818564	0.95	239697	26800	266497	0.30	-0.65
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance companies									
g) FIs	25	23175	23200	0.03	25	23175	23200	0.03	0.00
h) Foreign Venture Capital Funds									
i) Others (specify)		-				-			
Sub-total (B)(1):-	791789	81231	873020	1.02	239722	81231	320953	0.37	-0.65
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3092683	139069	3231752	3.75	3349057	139069	3488126	4.05	0.3
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12343633	1031250	13374883	15.52	12518129	992723	13510852	15.68	0.16
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5693862	22700	5716562	6.63	6258287	22700	6280987	7.30	0.67
c) Others (specify)									
Non Resident Indians	520195	46656	566851	0.66	212947	46381	259328	0.30	-0.36
Overseas Corporate Bodies	0	8550	8550	0.01	0	8550	8550	0.01	0.00
Foreign Companies									
Clearing Members	402630	0	402630	0.47	305427	0	305427	0.35	-0.12
Office Bearers	0	1178	1178	0	0	1178	1178	0.00	0.00
Trusts	375	-	375	0	375	-	375	0.00	0.00
Foreign Investor									
Sub-total (B)(2):-	22053378	1249403	23302781	27.04	22644222	1210601	23854823	27.69	-0.72
Total Public Shareholding (B) = (B)(1) + (B)(2)	22845167	1330634	24175801	28.06	22883944	1291832	24175776	28.06	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	84817268	1336584	86153852	100	84856070	1297782	86153852	100.00	

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.	Sumraj Holding Pvt. Ltd	455629	0.53	0.00	455629	0.53	0.00	0.00
2.	Sunnidhi Trading Pvt Ltd	1000	0	0.00	1000	0.00	0.00	0.00
3.	Ria Holdings Ltd	742500	0.86	0.00	742500	0.86	0.00	0.00
4.	Prachit Holdings Ltd	742500	0.86	0.00	742500	0.86	0.00	0.00
5.	Pranay Holdings Ltd	740000	0.86	0.00	740000	0.86	0.00	0.00
6.	Sameta Exports Pvt. Ltd.	750	0	0.00	750	0.00	0.00	0.00
7.	Shree Anandeya Investments Pvt. Ltd	2500	0	0.00	2500	0.00	0.00	0.00
8.	Reeti Investments Pvt. Ltd	0	0	0.00	0	0.00	0.00	0.00
9.	Gujarat Industrial Investment Corp Ltd	8252697	9.58	0.00	8252697	9.58	1.39	0.00
10.	J. Chawla Mehta	278600	0.32	0.00	78600	0.09	0.00	0.23
11.	Pallor Trading Company Pvt. Ltd	1250	0	0.00	275	0.00	0.00	0.00
12.	Treasurers Trading Limited	101750	0.12	0.00	101750	0.12	0.00	0.00
13.	The Arj Investment Limited	977000	1.14	0.00	1177000	1.37	0.00	-0.23
14.	Bhadra textiles & Trading Private Limited	48800000	56.64	0.00	48800000	56.64	56.64	0.00
15.	Promilla Subhashchandra Khanna	1925	0	0.00	1925	0.00	0.00	0.00
16.	Atul C. Khanna	5950	0.01	0.00	5950	0.01	0.00	0.00
17.	Samja Mauritius Limited	874000	1.02	0.00	874000	1.02	0.00	0.00
18.	Jay M. Mehta				1000	0.00	0.00	0.00
	TOTAL	61978051	71.94	0.00	61978076	71.94		

Note- Percentage rounded off to nearest decimal.

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

Sr. No.	Name of the Shareholder	Date	Particulars	Shareholding at 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	Juhi Chawla Mehta	01.04.2016		278600	0.32	278600	0.32
		17.10.2016	Sale	----	----	200000	0.23
			Shares held at the end of the year			78600	0.09
2	The Arj Investment Ltd	01.04.2016		977000	1.13	977000	1.13
		17.10.2016	Purchase	----	----	200000	0.23
			Shares held at the end of the year			1177000	1.36

Sr. No.	Name of the Shareholder	Date	Particulars	Shareholding at 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
3	Pallor Trading Company Pvt. Ltd	01.04.2016	Inter se Transfer	1250	0.00	1250	0.00
		25.07.2016	Inter se Transfer	----	----	1000	0.00
		25.07.2016	Existing Holding with another DEMAT Account with Rajkot Nagarik Sahakari Bank Ltd	25	0.00	25	0.00
			Shares held at the end of the year			275	0.00
4	Jay Mahendra Mehta	25.07.2016	Inter se Transfer	1000	0.00	1000	0.00
			Shares held at the end of the year			1000	0.00

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		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	State Bank of India Stressed Assets Management	723077	1.09	723077	0.84
2.	B. Subraya Baliga	676289	1.02	686985	0.80
3.	Anil Bansilal Lodha	447957	0.68	634752	0.74
4.	Abl Infrastructure Private Limited	203331	0.31	430155	0.50
5.	Bonanza Portfolio Limited	285155	0.43	307377	0.36
6.	Sarla Laxminiwas Janu	355377	0.54	273459	0.32
7.	Nikhil P. Desai	180000	0.27	180000	0.21
8.	Axis Bank Limited	----	----	161465	0.19
9.	Ommen Kuruvilla	----	----	148868	0.17
10	Vardhaman Mishrilal Lunkad	----	----	142000	0.16
11.	Dalmia Sec Pvt. Ltd	175000	0.26	----	----
12.	Amritlal Kalidas Thosani	200000	0.30	----	----
13.	Bang Equity Broking Pvt Ltd	205937	0.31	----	----

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.	Mr. Jay M. Mehta (Executive Vice-Chairman)	01.04.2016	At the beginning of the year	----	----	----	----
		25.07.2016	Inter se Transfer	----	----	1000	0.00
		31.03.2017	At the end of the year			1000	0.00
2.	Juhi Chawla Mehta	01.04.2016	At the beginning of the year	278600	0.32	278600	0.32
		17.10.2016	Sale	200000	0.23	78600	0.09
		31.03.2017	At the end of the year			78600	0.09
3.	Mr. M.S. Gilotra (Managing Director)	01.04.2016	At the beginning of the year	NIL	NIL	NIL	NIL
		31.03.2017	At the end of the year	NIL	NIL	NIL	NIL
4.	Mr. V.R. Mohnot (C.F.O & Co. Secretary)	01.04.2016	At the beginning of the year	NIL	NIL	NIL	NIL
		31.03.2017	At the end of the year	NIL	NIL	NIL	NIL

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	1870.66	----	----	1870.66
iii) Interest accrued but not due	----	----	----	----
Total (i+ii+iii)	1870.66			1870.66
Change in Indebtedness during the financial year				
* Addition	1108.34	---	---	1108.34
* Reduction	135.53	---	---	135.53
Net Change	972.81	---	---	972.81
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	----	----	----	----
iii) Interest accrued but not due	----	----	----	----
Total (i+ii+iii)	2843.47	---	---	2843.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Jay Mehta, Executive Vice-Chairman (1-4-2016 to 31-3-2017)	Mr. M. S. Gilotra, Managing Director (1-4-2016 to 31-3-2017)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	249.81	141.36	391.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----
	(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 (A)	249.81	141.36	391.17
	Ceiling as per the Act*			

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount ₹ Lacs
		Mr. S. V. S Raghavan	Mr. M.N. Rao	Mr. K. N. Bhandari	Mr. M. L. Tandon	Mr. Venkatesh Mysore	Mr. Bimal Thakkar	Mr. P K Behl	Mrs. Bhagyam Ramani	
1	Independent Directors									
	Fee for attending board committee meetings	2.50	2.00	1.50	2.50	1.40	1.00	4.50	1.50	
	Commission	--	--	--	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--	--	--	--
	Total (1)	2.50	2.00	1.50	2.50	1.40	1.00	4.50	1.50	16.90
2	Other Non-Executive Directors									
	Fee for attending board committee meetings	1.50	1.50	1.20	1.00					
	Commission	--	--	--	--					--
	Others, please specify	--	--	--	--					--
	Total (2)	1.50	1.50	1.20	1.00					5.20
	Total (B)=(1+2)									22.10
	Total Managerial Remuneration									
	Overall Ceiling as per the Act**									

Note – Sitting fees paid to Independent Directors also includes fees for the Independent Directors meeting held on 01/02/2016.

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

** ₹ 1 lac per Director per meeting attended.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer and Company Secretary Mr. V. R. Mohnot (for the period 1-4-2016 to 31-3-2017) (₹ In lacs)	Total (₹ in lacs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97.35	97.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.43	12.43
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	
2	Stock Option	Nil	
3	Sweat Equity	Nil	
4	Commission - as % of profit others, specify...	Nil Nil Nil	
5	Others, please specify	Nil	
	Total	109.78	109.78

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	454856
Percentage increase in the median remuneration of employees in the Financial Year	11.45%
Number of permanent employees on the rolls of the Company as on 31 st March 2017	424

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	55	-
Mr. M. S. Gilotra, Managing Director	31.07	0.81%
Other KMPs		
Mr. V. R. Mohnot, CFO & Company Secretary	27.93	7.50%

- (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 10.15%. 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
GUJARAT SIDHEE CEMENT LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GUJARAT SIDHEE CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended on that date and a summary of the 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 the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes valuating 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 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 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to following notes:

- (i) Note 33(B) to the standalone financial statements, relating to provision made for remuneration to Executive Vice Chairman for the period from April 01, 2016 to December 31, 2016 for which application is made to the Central Government and for the period from January 01, 2017 to March 31, 2017 in respect of which application will be made to the Central Government as stated in the said note. In respect of remuneration paid to him for the financial years 2015-16 and 2014-15 in excess of the limit prescribed under sections 197 and 198 read with schedule V to the Companies Act, 2013, application is made to the Central Government. Hence the provision

made for the year 2016-17 and payment of excess remuneration for financial year 2015-16 and 2014-15 are subject to approval of Central Government.

- (ii) Note 36(b) to the standalone financial statements regarding continuing recognition of MAT Credit Entitlement of earlier years for the reasons stated in the said note.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 B**";
 - (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 of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements;
 - (ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by management. Refer Note 34 to the standalone financial statements.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: May 24, 2017

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements to the members of Gujarat Sidhee Cement Limited (the Company) for the year ended March 31, 2017]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been 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 are held in the name of the Company.
2. The inventory has been physically verified by the Management during and at the year end. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, reporting requirements as per the provisions of Clause 3 (iii) [(a) to (c)] of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has not given any loans to which provisions of section 185 and 186 of the Act are applicable.
5. The Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
6. We have broadly reviewed the books of account maintained by the Company in respect of cement produced by the company where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including employee state insurance, provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except on few occasions wherein there was some delay in payment of service tax, excise duty and tax deduction at source.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (b) The particulars of dues of service tax, sales tax, excise duty, custom duty and income tax which have not been deposited as at March 31, 2017 on account of a dispute, are given hereunder :

Name of the Statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	35.85	1995-96	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	0.62	2008-09	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	420.59	2012-13	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	36.72	1992-93	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	464.57	2010-11	Commissioner, Central Excise
Central Excise Act, 1944	Excise Duty	1,053.11	2008-09 to 2013-14	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	6.33	2007-08	Customs, Excise & Service Tax Appellate Tribunal

Name of the Statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise / CENVAT Credit Rules, 2004	Service Tax	143.47	2012-13 & 2013-14	Customs, Excise & Service Tax Appellate Tribunal
Rajasthan Sales Tax Act, 1994	Sales Tax	24.73	1997-98	Rajasthan High Court
Gujarat Sales Tax Act, 1961	Sales Tax	121.21	2002-03 to 2004-05	Joint Commissioner, Rajkot
Gujarat Value Added Tax Act, 2003	Value Added Tax	321.88	2006-07 & 2007-08	Tribunal, Gujarat Value Added Tax

8. The Company has not defaulted in repayment of loans or borrowing dues to financial institution, bank or Government. The company has not issued debentures.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Money raised by way of term loans have been applied for the purpose for which they were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The company has made provision for remuneration to Executive Vice Chairman for the year 2016-17. The Company has made application to the Central Government for payment of remuneration for the period from 1-04-2016 to 31-12-2016. For remuneration for the period from 1-01-2017 to 31-03-2017, the Company will make an application to the Central Government after obtaining approval from Nomination and Remuneration Committee, the Board of Directors and Shareholders in AGM as stated in Note No. 33(B) to the standalone financial statements.
Further, in view of inadequacy of profit for the years 2014-15 and 2015-16, remuneration paid by the Company to Executive Vice Chairman was in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The company has made application to the Central Government for obtaining approval for payment of excess remuneration. The company has obtained undertaking from Executive Vice Chairman for repayment of excess remuneration in case the Central Government does not approve the payment of excess remuneration.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. 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 details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. 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, provisions of section 192 of the Act is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No. 131508

Place: Mumbai

Date: May 24, 2017

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements for the year ended March 31, 2017 to the members of Gujarat Sidhee Cement Limited(the company)]

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

We have audited the internal financial controls over financial reporting of **GUJARAT SIDHEE CEMENT LIMITED ("the Company")**, as of 31 March 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No. 131508

Place: Mumbai

Date: May 24, 2017

BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	Note No.	As at March 31, 2017 ₹ In lacs	As at March 31, 2016 ₹ In lacs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	8,620.69	8,620.69
(b) Reserves and surplus	3	5,208.73	9,113.16
		<u>13,829.42</u>	<u>17,733.85</u>
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,293.06	293.28
(b) Deferred tax liabilities (Net)	5	-	-
(c) Other long-term liabilities	6	547.36	581.96
(d) Long-term provisions	7	2,808.15	2,638.88
		<u>4,648.57</u>	<u>3,514.12</u>
(3) Current liabilities			
(a) Short-term borrowings	8	1,447.70	1,485.82
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		117.07	1.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,904.80	5,623.26
(c) Other current liabilities	10	4,683.95	3,874.69
(d) Short-term provisions	11	164.38	141.05
		<u>15,317.90</u>	<u>11,126.68</u>
TOTAL		<u>33,795.89</u>	<u>32,374.65</u>
II. ASSETS			
(1) Non Current Assets			
(a) (i) Property, Plant and Equipment	12	9,512.35	9,947.60
(ii) Intangible assets	12	16.03	46.72
(iii) Capital work-in-progress	12	2,343.06	470.57
(b) Non-current investments	13	7,436.59	7,433.18
(c) Long-term loans and advances	14	2,997.01	2,577.26
(d) Other non-current assets	15	324.04	770.98
		<u>22,629.08</u>	<u>21,246.31</u>
(2) Current Assets			
(a) Current Investments	16	0.14	0.06
(b) Inventories	17	5,652.23	5,480.35
(c) Trade receivables	18	872.08	1,230.88
(d) Cash and bank balances	19	3,705.48	3,351.71
(e) Short-term loans and advances	20	691.78	835.59
(f) Other current assets	21	245.10	229.75
		<u>11,166.81</u>	<u>11,128.34</u>
TOTAL		<u>33,795.89</u>	<u>32,374.65</u>

Significant Accounting Policies and Notes to Accounts

1 to 37

See accompanying Notes to Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Juhi Chawla Mehta

P. K. Behl

M. S. Gilotra

V. R. Mohnot

Executive Vice Chairman

Director

Director

Managing Director

CFO & Company Secretary

Mumbai, dated May 24, 2017

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

PARTICULARS	Note No.	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
1 Revenue from operations	22	49,566.49	52,938.85
Less : Excise Duty		5,830.84	6,032.27
		<u>43,735.65</u>	<u>46,906.58</u>
2 Other income	23	624.65	681.57
3 Total Revenue (1+2)		<u><u>44,360.30</u></u>	<u><u>47,588.15</u></u>
4 Expenses :			
a. Cost of material consumed	24	9,563.17	9,308.91
b. Changes in inventories of finished goods and work-in-progress	25	1.96	(727.49)
c. Employee benefits expenses	26	3,460.12	3,183.65
d. Finance cost	27	321.37	467.61
e. Depreciation and amortisation expenses	12	875.73	880.65
f. Other expenses	28	34,042.38	35,664.80
Total Expenses		<u><u>48,264.73</u></u>	<u><u>48,778.13</u></u>
5 (Loss) before tax (3-4)		<u><u>(3,904.43)</u></u>	<u><u>(1,189.98)</u></u>
6 Tax expense:			
i. Deferred Tax Charge / (Credit)		-	(467.58)
7 Profit / (Loss) for the year (5-6)		<u><u>(3,904.43)</u></u>	<u><u>(722.40)</u></u>
8 Earnings per equity share of ₹ 10 each :	29		
Basic and Diluted - ₹ per share		(4.53)	(1.00)
Significant Accounting Policies and Notes to Accounts	1 to 37		

See accompanying Notes to Financial Statements
As per our report of even date attached

For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136
(DARSHAN SHAH)
Partner
Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta *Executive Vice Chairman*
Juhi Chawla Mehta *Director*
P. K. Behl *Director*
M. S. Gilotra *Managing Director*
V. R. Mohnot *CFO & Company Secretary*

Mumbai, dated May 24, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year ended March 31, 2017 ₹ In lacs (3,904.43)	For the year ended March 31, 2016 ₹ In lacs (1,189.98)
A. CASH FLOW FROM OPERATING ACTIVITIES (LOSS) BEFORE TAX		
Adjustments for		
Depreciation	875.73	880.65
Finance Cost	321.37	467.61
Interest Income	(347.37)	(407.80)
Loss on sale of assets	14.78	18.58
Profit on sale of assets	(9.03)	(3.96)
Bad Debts written off	7.06	51.18
Provision for Doubtful debt and advances	6.36	1.58
Provision for doubtful debtors and advances written back (Net)	(1.16)	(51.43)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(3,036.69)	(233.57)
Adjustments for		
Trade receivables	347.75	429.26
Loans and Advances	394.45	(249.97)
Inventories	(171.88)	741.42
Trade payable	3,396.75	(846.46)
Other Liabilities	763.22	9.39
Provisions	192.60	173.32
CASH GENERATED FROM OPERATIONS	1,886.20	23.39
Income-tax (paid) / refund (net)	(53.37)	72.27
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	1,832.83	95.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE, intangible assets and work in process	(2,922.39)	(1,070.39)
Investment in Shares / OCD of Subsidiary Company	-	(1,400.00)
Sale of Property, Plant and Equipment	47.61	35.32
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(2,874.78)	(2,435.07)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	1,108.34	399.21
Repayment of Long-term Borrowings	(97.11)	(69.42)
Repayment of Short-term Borrowings (net)	(38.12)	(408.50)
Deposits held as margin money (net)	446.94	(619.28)
Finance Cost	(321.37)	(467.61)
Interest Income	297.04	490.21
Increase in Share Capital	-	1,500.00
NET CASH FLOW FROM FINANCING ACTIVITIES	1,395.72	824.61
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	353.77	(1,514.80)
CASH AND CASH EQUIVALENTS AS ON 01.04.2016	3,351.71	4,866.51
CASH AND CASH EQUIVALENTS AS ON 31.03.2017	3,705.48	3,351.71

Notes:

- Cash Equivalents include ₹ 3,705.48 lacs (previous year ₹ 3,350.65 lacs) being Bank Balances and Fixed Deposits with Banks. Bank balances include earmarked balances of ₹ 14.53 lacs (previous year ₹ 14.54 lacs).
- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard AS - 3 specified under section 133 of the Companies Act, 2013.
- Figures in bracket indicate Cash Outflow.

See accompanying Notes to Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Juhi Chawla Mehta

P. K. Behl

M. S. Gilotra

V. R. Mohnot

Executive Vice Chairman

Director

Director

Managing Director

CFO & Company Secretary

Mumbai, dated May 24, 2017

Note No. 1**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :****1.1 Basis of Accounting :**

The financial statements are prepared as under :

- (a) on the historical cost convention,
- (b) on a going concern basis,
- (c) in accordance with the generally accepted accounting principles,
- (d) on an accrual system of accounting,
- (e) in accordance with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Use of Estimates:

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

1.3 Revenue Recognition :

- (a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer which is on dispatch of goods to buyer. 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.
- (b) Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- (c) 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.
- (d) Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- (e) Octroi refund claims are accounted for on receipt basis.
- (f) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Income other than dividend and interest on Investments is recognised on maturity or sale.

1.4 (I) Property, Plant and Equipment (PPE) :

- (a) Property, Plant and Equipment include all expenditure of capital nature and are stated at cost (net of Cenvat, wherever applicable) less accumulated depreciation and accumulated impairment loss, if any.
- (b) 'Cost' for the purpose of valuing Property, Plant & Equipment and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).
- (c) Mobile Phones having worth less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.
- (d) Property, Plant and Equipment are eliminated from the financial statements on disposal or when no further benefit is expected from its use before disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value.
- (e) Expenditure during construction period (including finance cost relating to borrowed funds for construction or acquisition of qualifying assets) is included under Capital work-in-progress and the same is allocated to the respective Property, Plant and Equipment on the completion of their construction.

(II) Intangible Assets

- (a) Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

1.5 Depreciation and Amortisation :

- (a) Depreciation on PPE is provided on straight-line method over useful life of assets as prescribed in Part C of Schedule II to the Companies Act, 2013.
- (b) In respect of addition and sales of assets during the year, depreciation is provided on prorata basis.
- (c) Assets, having cost less than ₹ 5000/-, are fully depreciated in the year in which they are purchased.
- (d) Amortisation is provided over their respective individual assets' estimated useful lives on the straight line basis commencing from the year of assets available for use to the company.
- (e) Cost of Leasehold Land is amortized based on quantity of limestone extracted during the year out of total deposit of limestone available for mining.

1.6 Impairment of Assets :

- (a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exists or have decreased.

1.7 Investments :

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

1.8 Inventories :

Inventories are valued as follows :

- (a) **Raw Material, Fuel, Stores & Spare Parts and Packing Material :**
At Cost, derived on moving weighted average basis, or net realisable value, whichever is lower.
- (b) **Work-in-Progress (WIP) :**
At Cost or net realisable value, whichever is lower. Cost includes all direct cost and related factory overhead.
- (c) **Finished Goods :**
At Cost or net realisable value, whichever is lower. Cost includes all direct cost and related factory overhead and excise duty. Traded Goods are valued at cost or net realisable value, whichever is lower.

1.9 Foreign Currency Transactions :

- (a) Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- (b) Monetary items (i.e. receivables, payables etc.), which are denominated (i.e. in foreign currency) are translated and reported using the exchange rates prevailing on the date of the Balance Sheet.
- (c) 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.
- (d) Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

1.10 Employee Benefits :

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

(b) Defined benefit plan :

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

1.11 Provisions, Contingent Liabilities and Contingent Assets :

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.
- (b) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities And Contingent Assets" notified under the Companies (Accounts) Rules, 2014.

1.12 Borrowing Cost :

Borrowing costs, attributable to the acquisition / construction of qualifying assets, are capitalized. Other borrowing costs are charged to Statement of Profit and Loss.

1.13 Operating lease

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss.

1.14 Taxation :

- (a) Income tax charge or credit comprises current tax and deferred tax charge or credit.
- (b) Current Income tax is measured at the amount expected to be paid to Tax authorities in accordance with the provisions of Income Tax Act, 1961.
- (c) Deferred tax asset or liability on timing difference are recognised using current rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised to the extent there exists a virtual certainty that these assets can be realised in future. Deferred tax assets and liabilities are reviewed at each Balance Sheet date.
- (d) Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.15 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.16 General :

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

NOTES TO BALANCE SHEET :

Note No.	Particulars	As at			
		31.03.2017	31.03.2016		
		₹ In lacs	₹ In lacs		
2	Share Capital				
(a)	Authorized :				
	50,00,00,000 Equity Shares of ₹ 10 each	50,000.00	50,000.00		
(b)	Issued :				
	14,48,16,075 Equity Shares of ₹ 10 each	14,481.61	14,481.61		
(c)	Subscribed :				
	8,62,06,932 Equity Shares of ₹ 10 each	8,620.69	8,620.69		
(d)	Paid up :				
	8,61,53,852 Equity Shares of ₹ 10 each fully paid up	8,615.39	8,615.39		
	Add : Forfeited Shares	5.30	5.30		
	Total Share Capital	8,620.69	8,620.69		
(e)	Rights, preferences and restrictions :				
(i)	The Company has only one class of equity shares referred to as Equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.				
(ii)	Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
(iii)	In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(f)	Shares held by Holding Company	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
	Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	4,880.00	48,800,000	4,880.00
(g)	Details of shares in the company held by each shareholder holding more than 5 per cent shares :				
S.	No. Name of the Shareholder	No. of shares	% of share holding	No. of shares	% of share holding
	1 Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	56.65	48,800,000	56.65
	2 GIIC Ltd.	8,252,697	9.58	8,252,697	9.58
(h)	Reconciliation of Paid up Share Capital :	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
	Opening Balance	86,153,852	8,615.39	86,153,852	7,115.39
	Add : Call money received	-	-	-	1,500.00
	Closing Balance	86,153,852	8,615.39	86,153,852	8,615.39

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	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
3 Reserves and Surplus		
(a) Capital Reserves		
(i) Capital Reserve Govt. Subsidy	26.95	26.95
(ii) Capital Reserve - Capital Reduction Account	6,921.68	6,921.68
	6,948.63	6,948.63
(b) Surplus / (Deficit) in the Statement of Profit and Loss		
Opening Balance	2,164.53	2,886.93
Less : (Deficit) for the year	(3,904.43)	(722.40)
Closing balance	(1,739.90)	2,164.53
	5,208.73	9,113.16
	₹ In lacs	₹ In lacs
4 Long-term Borrowings		
(a) Term loans, Secured		
• from banks	1,266.87	259.86
• from other parties	26.19	33.42
	1,293.06	293.28

Term Loan from HDFC Bank Limited is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Company. This is further secured by personal guarantee of one of the Promoter Directors, Corporate guarantee of wholly owned subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by wholly owned subsidiary Company. The Term Loan is repayable in 20 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

Term loans from Banks/other parties in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest ranging from 9.36% to 10.01% p.a.

5 Deferred Tax Liabilities / Assets

In accordance with Accounting Standard AS - 22 "Accounting for Taxes on Income" specified under section 133 of the Companies Act, 2013, the company has reviewed its Deferred Tax Liabilities (DTL) and Deferred Tax Assets (DTA) upto 31-03-2017.

Accordingly the Company has computed Deferred Tax Assets to the extent of Deferred Tax Liabilities of ₹ 1380.32 Lacs as on March 31, 2017 on the following items of timing differences as per computation given hereunder :

	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
a. Deferred Tax Assets :		
Accrued Expenses deductible on cash basis	637.74	503.21
Provision for Doubtful debts & advances	116.73	118.62
Unabsorbed Depreciation	625.85	805.65
Total	1,380.32	1,427.48
b. Deferred Tax Liabilities:		
Difference between WDV of Assets as per the Income-tax Act, 1961 and the Companies Act, 2013	1,380.32	1,427.48
Total	1,380.32	1,427.48
c. Net Deferred Tax (Liability)/ Assets (a – b)	-	-
6 Other Long-term Liabilities	₹ In lacs	₹ In lacs
Security Deposits from Customers & Dealers	547.36	581.96
	547.36	581.96

	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
7 Long-term provisions		
(a) Provision for employee benefits.		
(i) Gratuity	765.99	707.83
(ii) Leave Encashment	285.92	253.14
(b) Others	1,756.24	1,677.91
	<u>2,808.15</u>	<u>2,638.88</u>

The Company's gratuity plan and leave encashment are not funded. The following table sets out the status of the gratuity plan and leave encashment as required under Accounting Standard AS - 15 "Employee Benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

I Changes in Present Value of Obligations:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity ₹ In lacs	PL Encashment ₹ In lacs	Gratuity ₹ In lacs	PL Encashment ₹ In lacs
Present Value of Obligation as at the beginning of the year	776.53	325.49	706.87	294.36
Current Service Cost	34.98	24.05	31.05	20.56
Interest Cost	62.04	26.01	55.84	23.26
Actuarial (gain) / Loss on obligations	45.68	31.84	39.94	33.91
Benefits paid	(70.05)	(40.29)	(57.17)	(46.60)
Present value of Obligation as at the end of the year	849.18	367.10	776.53	325.49
II The amount recognised in Balance Sheet:				
Present value of Obligation as at the end of the year	849.18	367.10	776.53	325.49
Fair Value of Plan Assets at the end of the year	-	-	-	-
Net Liability recognized in Balance sheet	849.18	367.10	776.53	325.49
III Amount recognised in Statement of Profit and Loss :				
Current Service Cost	34.98	24.05	31.05	20.56
Interest Cost	62.04	26.01	55.84	23.26
Net Actuarial (gain) / Loss recognised in the year	45.68	31.84	39.94	33.91
Expenses Recognized in the statement of Profit & Loss	142.70	81.90	126.83	77.73
IV Assumptions:				
Mortality Table	2006-08	2006-08	2006-08	2006-08
Discount Rate	7.51%	7.51%	7.99%	7.99%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

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	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
8 Short-term borrowings		
(a) Loans repayable on demand from Banks - Secured		
• Overdraft	1,447.70	1,485.82
	1,447.70	1,485.82
The overdraft from bank is secured against pledge of FDRs of ₹ 2,689.32 lacs (previous year ₹ 2,235.83 lacs).		
9 Trade Payables	₹ In lacs	₹ In lacs
(a) Trade Payable	8,885.07	5,624.00
(b) Amount payable to related party (refer note no. 33)	136.80	1.12
	9,021.87	5,625.12
Additional disclosure in respect of dues to micro, small and medium enterprises :		
	₹ In lacs	₹ In lacs
i. Principal amount remaining unpaid and interest thereon	121.48	1.86
ii. Interest paid in terms of Section 16	-	-
iii. Interest due and payable for the period of delay in payment	4.41	-
iv. Interest accrued and remaining unpaid	4.41	-
v. Interest due and payable even in succeeding years	-	-
The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.		
10 Other current liabilities	₹ In lacs	₹ In lacs
(a) Current maturities of long-term debt		
(i) Banks	95.48	72.26
(ii) Others	7.22	19.00
(b) Advance from customers	1,718.47	1,222.03
(c) Security Deposits	4.98	4.98
(d) Statutory dues	1,218.80	1,234.30
(e) Unpaid Dividend	14.34	14.35
(f) Other liabilities		
(i) Liabilities for expenses at the year-end	1,154.52	1,087.34
(ii) Others	470.14	220.43
	4,683.95	3,874.69
11 Short-term provisions	₹ In lacs	₹ In lacs
(a) Provision for Gratuity- Current	83.20	68.70
(b) Provision for Leave encashment - Current	81.18	72.35
	164.38	141.05

NOTES TO BALANCE SHEET :

Note No. 12

(i) Property, Plant & Equipment (PPE)

₹ In Lacs

	Gross Block at Cost			Depreciation			Net Block	
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
	(a) Land	222.59	58.84	-	281.43	-	-	281.43
Freehold	31.90	173.33	-	205.23	-	-	205.23	31.90
Leasehold	3,775.14	1.39	-	3,776.53	78.23	-	1,385.07	1,461.91
(b) Buildings	20,829.76	105.92	-	20,935.68	308.29	-	15,000.32	6,137.73
(c) Plant and Equipment	1,238.81	35.55	2.86	1,271.50	116.85	2.83	831.18	521.85
(d) Furniture and Fixtures	2,038.35	54.36	135.16	1,957.55	247.17	82.03	906.35	1,297.14
(e) Vehicles	421.76	8.49	-	430.25	21.10	-	393.93	48.93
(f) Computers	785.99	22.77	-	808.76	70.90	-	631.34	225.55
(g) Office equipment	29,344.30	460.65	138.02	29,666.93	842.54	84.66	20,154.58	9,947.60
Total	28,570.20	948.05	173.95	29,344.30	838.34	124.01	19,396.70	9,947.60
Previous Year								

(ii) Intangible Assets

	Gross Block at Cost			Amortisation			Net Block	
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
	Licence Fees & Membership fees	179.17	2.43	-	181.60	33.12	-	165.57
Total	179.17	2.43	-	181.60	33.12	-	165.57	46.72
Previous Year	173.15	6.02	-	179.17	42.31	-	132.45	46.72

(iii) Capital Work in Progress

	Gross Block at Cost			Impairment			Net Block	
	As at April 1, 2016	Additions	Deductions	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
	Capital Work in progress	470.57	1,889.36	16.87	-	-	-	2,343.06
Previous Year	354.25	143.19	26.87	-	-	-	470.57	-

Note :

- Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letter of Credits.
- Leasehold land has been acquired for mining purpose. The land can't be sold without permission of the Collector.

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	As at 31.03.2017 ₹ In lacs	As at 31.03.2016 ₹ In lacs
13 Non-current investments		
Other than Trade - Long Term (At Cost)		
(a) Investment in Equity Instrument (Quoted) :		
100 Equity Shares of ₹ 10 each in Saurashtra Cement Limited	0.02	0.02
(b) Investment in Equity Instrument (Unquoted) :		
20,91,000 (Previous Year 1,59,000) Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Pvt. Ltd.	3.79	0.30
(c) Investment in Subsidiary Company (Unquoted) :		
4,17,50,177 (Previous year 43,17,022) Equity shares in Villa Trading Company Private Limited of ₹ 10 each	7,432.78	432.78
NIL (Previous Year 70,00,000) Optionally Convertible Debenture of Villa Trading Company Private Limited of ₹ 100 each	-	7,000.00
(d) Other Investment (Unquoted) :		
6 Years National Savings Certificates	-	0.08
(Kept as security deposit with Government authorities)		
	7,436.59	7,433.18
Aggregate Market Value of Quoted Investments	0.06	0.06
Aggregate Cost of Quoted Investments	0.02	0.02
14 Long-term loans and advances	₹ In lacs	₹ In lacs
(a) Capital Advances, considered good	658.36	71.54
(b) Security Deposits, considered good	926.96	931.33
(c) MAT Credit Entitlement (refer note no. 36 (b))	1,312.23	1,312.23
(d) Taxes paid in advance (net of provision of ₹ NIL, previous year ₹ 5.24 lacs)	76.82	226.52
(e) VAT receivable	-	5.51
(f) Advance to Staff	22.64	30.13
(g) Other loans and advances		
(i) Considered Doubtful	323.92	323.92
Less : Provision for Doubtful Advance	(323.92)	(323.92)
	2,997.01	2,577.26
15 Other non-current assets	₹ In lacs	₹ In lacs
(a) Fixed deposits with bank maturing after 12 months	324.04	770.98
[Of the above, fixed deposits of ₹ 321.64 lacs (Previous year ₹ 770.98 lacs) kept as security / margin money against overdraft / guarantees]		
	324.04	770.98
16 Current Investments	₹ In lacs	₹ In lacs
Investments in Government securities :		
6 Years National Savings Certificates	0.14	0.06
(Kept as security deposit with Government authorities)		
	0.14	0.06

	As at 31.03.2017 ₹ In lacs	As at 31.03.2016 ₹ In lacs
17 Inventories		
(a) Raw materials (includes materials in transit of ₹ 360.74 lacs, previous year ₹ 6.30 lacs)	850.33	329.84
(b) Work-in-progress	2,492.45	1,918.26
(c) Finished goods	216.87	793.02
(d) Stores and spares (includes stores and spares in transit of ₹ 58.56 lacs, previous year ₹ 20.77 lacs)	1,241.26	1,548.32
(e) Fuel (includes coal in transit of ₹ 763.85 lacs, previous year ₹ 661.02 lacs)	851.32	890.91
	<u>5,652.23</u>	<u>5,480.35</u>
18 Trade Receivables (unsecured)	₹ In lacs	₹ In lacs
(a) Outstanding for a period exceeding six months		
- considered good	0.41	168.89
- considered doubtful	48.23	50.60
(b) Others - considered good		
- Amount receivable from a related party (refer note no. 33)	-	23.25
- Others	871.67	1,038.74
	<u>920.31</u>	<u>1,281.48</u>
Less : Provision for Doubtful Debts	<u>(48.23)</u>	<u>(50.60)</u>
	<u>872.08</u>	<u>1,230.88</u>
19 Cash and Bank Balances	₹ In lacs	₹ In lacs
(a) Cash and cash equivalent		
(i) Balances with banks in current accounts	331.68	515.89
(ii) Cash on hand	-	1.06
	<u>331.68</u>	<u>516.95</u>
(b) Other Bank Balances		
(i) Earmarked Balances with Bank	14.53	14.54
(ii) Fixed Deposits with Banks	3,359.27	2,820.22
[Of the above fixed deposits of ₹ 3,359.27 lacs (Previous year ₹ 2,320.23 lacs) kept as security / margin money against overdraft, letter of credit and guarantees]		
	<u>3,705.48</u>	<u>3,351.71</u>
20 Short-term loans and advances	₹ In lacs	₹ In lacs
(a) Unsecured, Considered Good		
(i) Taxes paid in advance	115.10	61.73
(ii) Advance against purchase of Stores and Spare	111.93	113.16
(iii) Advance against purchase of shares	-	3.49
(iv) Cenvat Credit Receivable	220.53	206.17
(v) Others	244.22	451.04
(b) Unsecured, Considered Doubtful		
(i) Advance against purchase of Stores and Spares	5.61	4.40
	<u>697.39</u>	<u>839.99</u>
Less : Provision for Doubtful Advance	<u>(5.61)</u>	<u>(4.40)</u>
	<u>691.78</u>	<u>835.59</u>
21 Other current assets	₹ In lacs	₹ In lacs
Interest Accrued but not due on Fixed Deposits	187.42	137.09
Gujarat-Vat Refund Receivable	57.32	-
Other Receivable	0.36	92.66
	<u>245.10</u>	<u>229.75</u>

Notes to Statement of Profit and Loss :

Note No.	Particulars	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
22	Revenue from Operations :		
	(a) Sale of products;		
	(i) Cement	47,655.72	48,190.75
	(ii) Clinker	1,814.76	4,627.14
	(b) Other operating revenues		
	(i) Sale of Scrap	87.49	96.38
	(ii) Export Entitlement	8.52	24.58
		<u>49,566.49</u>	<u>52,938.85</u>
	Less:		
	(c) Excise duty	5,830.84	6,032.27
		<u>43,735.65</u>	<u>46,906.58</u>
23	Other Income	₹ In lacs	₹ In lacs
	(a) Interest Income	347.37	407.80
	(b) Insurance claim	11.48	3.27
	(c) Profit on sale of assets	9.03	3.96
	(d) Provision no longer required written back	131.11	96.41
	(e) Exchange Rate Fluctuation	96.87	-
	(f) Sundry credit balances written back	-	57.14
	(g) Provision for doubtful debts written back	7.52	53.01
	(h) Sales Tax refund	1.02	28.82
	(i) Miscellaneous Income	20.25	31.16
		<u>624.65</u>	<u>681.57</u>
24	Cost of material consumed	₹ In lacs	₹ In lacs
	(a) Raw materials *		
	Opening Stock of Raw Materials	329.84	642.14
	Add: Purchases	6,200.05	4,918.47
	Less: Closing Stock of Raw Materials	850.33	329.84
		<u>5,679.56</u>	<u>5,230.77</u>
	(b) Royalty, Cess and Limestone raising cost		
	(i) Limestone raising and Transportation	1,064.65	1,197.32
	(ii) Royalty	842.37	979.16
	(iii) Welfare cess	1.16	12.57
	(iv) District Mineral Fund (DMF) & others	284.76	390.40
		<u>2,192.94</u>	<u>2,579.45</u>
	(c) Packing material		
	Opening Stock of Packing Materials	59.55	44.15
	Add: Purchases	1,720.57	1,514.09
	Less: Closing Stock of Packing Materials	89.45	59.55
		<u>1,690.67</u>	<u>1,498.69</u>
	Total material consumed	<u>9,563.17</u>	<u>9,308.91</u>
	*Details of Raw Material Consumed		
	(i) Limestone and Marl	3,649.25	3,178.09
	(ii) Gypsum	792.61	891.40
	(iii) Fly Ash	794.13	660.98
	(iv) Others	443.57	500.30
		<u>5,679.56</u>	<u>5,230.77</u>

Note No.	Particulars	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
25	Change in inventories of finished goods and work-in-progress		
	(a) Opening stock of inventories		
	Finished Goods - Cement	793.02	430.39
	Work-in-progress - Raw Flour and Clinker	1,918.26	1,553.40
	(b) Closing Stock of inventories		
	Finished Goods - Cement	216.87	793.02
	Work-in-progress - Raw Flour and Clinker	2,492.45	1,918.26
	(Increase)/ decrease in inventories	<u>1.96</u>	<u>(727.49)</u>
26	Employee Benefits Expense	₹ In lacs	₹ In lacs
	(a) Salaries and wages	3,170.42	2,879.53
	(b) Contribution to provident and other funds	208.23	202.51
	(c) Staff welfare expense	81.47	101.61
		<u>3,460.12</u>	<u>3,183.65</u>
27	Finance Cost	₹ In lacs	₹ In lacs
	i. Interest Expense		
	(a) On Borrowings	128.92	176.53
	(b) On Customs Duty	64.45	76.93
	(c) On Others	108.92	174.52
	ii. Other Borrowing Cost	19.08	39.63
		<u>321.37</u>	<u>467.61</u>
28	Other expenses	₹ In lacs	₹ In lacs
	(a) Power and fuel	18,606.68	18,637.58
	(b) Stores and spares consumed	2,577.87	2,619.69
	(c) Repair and maintenance*	1,505.98	1,627.33
	(d) Insurance	82.66	125.79
	(e) Rent	192.95	184.56
	(f) Rates and taxes	36.93	26.90
	(g) Payment to auditors**	18.45	13.88
	(h) Directors' sitting fees	22.60	36.60
	(i) Loss on sale/discard of assets	14.78	18.58
	(j) Bad Debts written off	7.06	51.18
	(k) Provision for doubtful debt and advances	6.36	1.58
	(l) Travelling and conveyance expenses	443.46	615.41
	(m) Exchange rate fluctuation	-	55.68
	(n) Legal and professional expenses	181.66	262.37
	(o) Freight	5,996.39	6,673.70
	(p) Commission and discounts	1,118.44	978.56
	(q) Selling expenses	2,217.41	2,420.16
	(r) Packing Plant Expenses	446.00	457.03
	(s) Miscellaneous Expenses	566.70	858.21
		<u>34,042.38</u>	<u>35,664.80</u>
	*Repairs and maintenance		
	(a) Repairs to buildings.	123.08	242.25
	(b) Repairs to machinery.	841.92	904.51
	(c) Others	540.98	480.57
		<u>1,505.98</u>	<u>1,627.33</u>
	**Payments to the auditors		
	(a) For Statutory Audit	8.25	7.00
	(b) For Tax Audit	2.02	2.00
	(c) For Other services	4.62	2.21
	(d) For Travelling Expenses	3.56	2.67
		<u>18.45</u>	<u>13.88</u>

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Note No.	Particulars	For the year ended March 31, 2017 ₹ In lacs		For the year ended March 31, 2016 ₹ In lacs	
29	Earning Per Share:				
	(a) Net (Loss) after Tax (₹ in lacs)		(3,904.43)		(722.40)
	(b) Total Weighted Average Number of Shares for Basic & Diluted Earning		86,153,852		72,016,866
	(c) Basic & Diluted Earning per share in rupees		(4.53)		(1.00)
30	a) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of		₹ In lacs		₹ In lacs
	(i) Raw Materials		537.11		645.95
	(ii) Fuel		5,199.87		2,217.83
	(iii) Components and spare parts		430.78		355.75
	(iv) Capital goods		9.32		52.48
	b) Expenditure in foreign currency during the financial year on account of				
	(i) Professional and Consultation fees		4.33		9.25
	(ii) Travelling Expenses		27.18		96.99
	(iii) Others		52.94		55.42
	c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.				
	(i) Raw Materials :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	527.61	9.29	739.17	14.13
	Indigenous	5,151.95	90.71	4,491.60	85.87
		5,679.56	100.00	5,230.77	100.00
	(ii) Stores and Spares :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	459.63	17.83	488.71	18.66
	Indigenous	2,118.24	82.17	2,130.98	81.34
		2,577.87	100.00	2,619.69	100.00
	d) Earnings in foreign exchange		₹ In lacs		₹ In lacs
	(i) Export of goods calculated on F.O.B. basis		853.27		2,475.41
	(ii) Despatch Money received		6.34		14.84
31	The amount of expenditure on Corporate Social Responsibility (CSR) activities is ₹ Nil (previous year ₹ 29.98 lacs).				
32	Contingent liabilities and commitments				
	(to the extent not provided for)				
	(a) Contingent liabilities				
	(i) Claims against the company not acknowledged as debt		776.62		792.92
	(ii) Other money for which the company is contingently liable - Matter				
	- Excise duty		1,230.28		1,205.57
	- Customs		74.09		74.09
	- Service Tax		150.61		13.93
	- Rajasthan Sales Tax		24.73		24.73
	- Gujarat Sales Tax		112.94		112.94
	- Gujarat VAT		311.84		311.84
	- Income-tax		-		1.50
	- Octroi		38.49		140.98

(iii) The Company is required to comply with the energy consumption norms and standards specified under notification number S.O.687(E) dated 30th March, 2012 of the Government of India, Ministry of Power during the first cycle for the period from 2012-13 to 2014-15. Consequently the Company is required to purchase 13,775 (Nos.) Energy Savings Certificates. The value is not ascertainable as the Certificates are not tradable on the Energy Exchange.

(b) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 637.83 lacs; previous year ₹ 70.78 lacs)	3,592.48	189.33
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(A) Related Parties Disclosure:

(a) Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Capital:

1 Ria Holdings Ltd.	8 Sameta Export Private Ltd.
2 Pranay Holdings Ltd.	9 Pallor Trading Company Private Ltd.
3 Reeti Investment Private Ltd.	10 The Arj Investments Limited
4 Prachit Holdings Ltd.	11 Treasurer's Trading Limited
5 Sumaraj Holding Private Ltd.	12 GIIC Limited
6 Sunnidhi Trading Private Ltd.	13 Samja Mauritius Limited
7 Shree Anandeya Investment Pvt. Ltd.	14 Mehta Investments Pte Limited

(b) Holding Company:

Bhadra Textiles and Trading Private Limited

(c) Subsidiary Company:

Villa Trading Company Private Limited

(d) List of Key Managerial Personnel and their relatives :

1 Mr. Jay Mehta	Executive Vice Chairman
2 Mr. M. S. Gilotra	Managing Director
3 Mr. M N Mehta	Father of Mr. Jay Mehta
4 Mrs. Juhi Chawla Mehta	Wife of Mr. Jay Mehta

(e) Name of the company in which policies are controlled by common key management personnel:

Saurashtra Cement Limited

(B) Disclosure of Related Parties Transactions :

	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
1 Remuneration to Mr. Jay Mehta *	249.81	249.81
2 Remuneration to Mr. M S Gilotra	141.36	140.22

* In view of inadequacy of profit for the year 2016-17, remuneration payable by the Company to Mr. Jay Mehta (Executive Vice Chairman) is in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The Company has made application to the Central Government for payment of remuneration in excess of limit for the period from 1-04-2016 to 31-12-2016. For remuneration for the period from 1-01-2017 to 31-03-2017, the Company will make an application to the Central Government after obtaining approval from Nomination and Remuneration Committee, the Board of Directors and Shareholders in AGM. Pending these approval, the provision for remuneration has been made in the accounts by the Company on the basis of resolution passed by shareholders in the Annual General Meeting held on 22nd September 2015.

In view of inadequacy of profit for the years 2014-15 and 2015-16, remuneration paid by the Company to Mr. Jay Mehta (Executive Vice Chairman) was in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The Company has made application to the Central Government for approval of excess remuneration. Pending approval of the Central Government, an amount of ₹ 184.79 lacs for the year 2014-15 and ₹ 163.44 lacs for the year 2015-16 is held in trust by him.

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	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
3	Payments to relatives of Key Managerial Personnel:	
a.	Directors sitting fees to Mr. M N Mehta	1.50
b.	Directors sitting fees to Mrs. Juhi Chawla Mehta	1.20
4	Particulars of transactions with Saurashtra Cement Ltd. The transactions are disclosed in aggregate value for the year:	

Particulars	For the Year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
Purchase of Goods & materials	559.80	194.91
Sale of Goods, materials	256.28	1,432.16
Services received [Net]	61.91	118.77
Outstanding Receivable / (Payable)	(136.80)	23.25

5	Particulars of transactions with Villa Trading Co. Pvt. Ltd. The transactions are disclosed in aggregate value for the year:	
Particulars	For the Year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
Payment of Call Money on OCD	-	1,400.00
Expenses for Manpower services	-	10.93
Outstanding payable for Manpower services	-	1.12

34 Disclosure on Specified Bank Notes (SBNs) :

The disclosure of Specified Bank Notes 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 :

	₹ In lacs		
Particular	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	5.59	0.64	6.23
Permitted Receipt	-	9.74	9.74
Permitted Payments	-	7.34	7.34
Amount deposited in Banks	5.59	0.11	5.70
Closing Cash in hand as on 30/12/2016	-	2.93	2.93

35 The Group has only one business segment 'Cement / Clinker' as primary segment.

36 a. No provision for income tax is made by Company in view of loss for the current financial year.

b. The Company has continued to recognise MAT credit entitlement of earlier years as the Management expects that there will be sufficient taxable income in view of improved demand for Cement, availability of limestone from its own mines and installation of Waste Heat Recovery Power plant which will result into saving in cost of power. Consequently, the MAT credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in foreseeable future.

37 The previous year's figures have been regrouped / rearranged so as to conform to the current year's figures.

As per our report of even date attached

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

(DARSHAN SHAH)
Partner
Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta	<i>Executive Vice Chairman</i>
Juhi Chawla Mehta	<i>Director</i>
P. K. Behl	<i>Director</i>
M. S. Gilotra	<i>Managing Director</i>
V. R. Mohnot	<i>CFO & Company Secretary</i>

Mumbai, dated May 24, 2017

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
GUJARAT SIDHEE CEMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gujarat Sidhee Cement Limited** ("the Holding Company") and its subsidiary, **Villa Trading Company Private Limited** (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 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 ("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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Holding Company and its subsidiary company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters Paragraph 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 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to following notes to Consolidated Financial Statements:

- (i) Note 33(B) to the Consolidated financial statements, relating to provision made for remuneration to Executive Vice Chairman of holding company for the period from April 01, 2016 to December 31, 2016 for which application is made to the Central Government and for the period from January 01, 2017 to March 31, 2017 in respect of which application will be made to the Central Government as stated in the said note. In respect of remuneration paid to him for the financial years 2015-16 and 2014-15 in excess of the limit prescribed under sections 197 and 198 read with schedule V to the Companies Act, 2013, application is made to the Central Government. Hence the provision made for the year 2016-17 and payment of excess remuneration for financial year 2015-16 and 2014-15 are subject to approval of Central Government.

- (ii) Note 36(b) to the consolidated financial statements regarding continuing recognition of MAT Credit Entitlement of earlier years for the reasons stated in the said note.

Our opinion is not modified in respect of the above matters.

Other Matters

We did not audit the consolidated financial statements of a subsidiary, whose consolidated financial statements reflect total assets of ₹ 10,049.46 lacs as at March 31, 2017, total revenues of ₹ 339.79 lacs (which includes its share of profit of ₹ 197.23 lacs in associate) and net cash out flows amounting to ₹ 0.84 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (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 books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies incorporated in India 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 32 to the Consolidated Financial Statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investors' Education and Protection Fund by the Holding company and its subsidiary company.
 - (iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation as well as audit report of auditor of the subsidiary company, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by management. Refer Note 34 to the standalone financial statements.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: 24 May, 2017

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Consolidated Financial Statements to the members of Gujarat Sidhee Cement Limited (the company) for the year ended on March 31, 2017.]

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

In conjunction with our audit of the consolidated financial statements of **Gujarat Sidhee Cement Limited** ("the Holding Company" or "the company" as the context may require) as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary, **Villa Trading Company Private Limited** which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report 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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, 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 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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 in so far as it relates to its subsidiary company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: 24 May, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	Note No.	As at March 31, 2017 ₹ In lacs	As at March 31, 2016 ₹ In lacs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	8,620.69	8,620.69
(b) Reserves and surplus	3	7,228.20	10,932.23
		<u>15,848.89</u>	<u>19,552.92</u>
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,488.06	293.28
(b) Deferred tax liabilities (Net)	5	-	-
(c) Other long-term liabilities	6	547.36	581.96
(d) Long-term provisions	7	2,808.15	2,638.88
		<u>4,843.57</u>	<u>3,514.12</u>
(3) Current liabilities			
(a) Short-term borrowings	8	1,847.72	2,085.82
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		117.07	1.86
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,904.94	5,623.41
(c) Other current liabilities	10	4,685.79	3,878.40
(d) Short-term provisions	11	164.59	141.05
		<u>15,720.11</u>	<u>11,730.54</u>
TOTAL		<u>36,412.57</u>	<u>34,797.58</u>
II. ASSETS			
(1) Non Current Assets			
(a) (i) Property, Plant and Equipment	12	9,512.35	9,947.60
(ii) Intangible assets	12	16.03	46.72
(iii) Capital work-in-progress	12	2,343.06	470.57
(b) Non-current investments	13	10,028.55	9,827.91
(c) Long-term loans and advances	14	3,007.26	2,588.76
(d) Other non-current assets	15	324.04	770.98
		<u>25,231.29</u>	<u>23,652.54</u>
(2) Current Assets			
(a) Current Investments	16	0.14	0.06
(b) Inventories	17	5,652.23	5,480.35
(c) Trade receivables	18	872.08	1,232.00
(d) Cash and bank balances	19	3,719.95	3,367.02
(e) Short-term loans and advances	20	691.78	835.86
(f) Other current assets	21	245.10	229.75
		<u>11,181.28</u>	<u>11,145.04</u>
TOTAL		<u>36,412.57</u>	<u>34,797.58</u>
Significant Accounting Policies and Notes to Accounts	1 to 38		

See accompanying Notes to Consolidated Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Juhi Chawla Mehta

P. K. Behl

M. S. Gilotra

V. R. Mohnot

Mumbai, dated May 24, 2017

Executive Vice Chairman

Director

Director

Managing Director

CFO & Company Secretary

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

PARTICULARS	Note No.	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
1 Revenue from operations	22	49,566.49	52,938.85
Less : Excise Duty		5,830.84	6,032.27
		43,735.65	46,906.58
2 Other income	23	767.22	684.01
3 Total Revenue (1+2)		44,502.87	47,590.59
4 Expenses :			
a. Cost of material consumed	24	9,563.17	9,308.91
b. Changes in inventories of finished goods and work-in-progress	25	1.96	(727.49)
c. Employee benefits expenses	26	3,460.12	3,183.67
d. Finance cost	27	414.10	569.89
e. Depreciation and amortisation expenses	12	875.73	880.65
f. Other expenses	28	34,088.74	35,666.97
Total Expenses		48,403.82	48,882.60
5 (Loss) before tax (3-4)		(3,900.95)	(1,292.01)
6 Tax expense:			
i. Current tax		0.31	-
ii. Deferred Tax Charge / (Credit)		-	(467.58)
7 (Loss) before share in profits of Associate of Subsidiary (5-6)		(3,901.26)	(824.43)
8 Share in Profit of Associate of Subsidiary		197.23	898.24
9 Profit/(Loss) for the year (7+8)		(3,704.03)	73.81
10 Earnings per equity share of ₹ 10 each :	29		
Basic and Diluted - ₹ per share		(4.30)	0.10
Significant Accounting Policies and Notes to Accounts	1 to 38		

See accompanying Notes to Consolidated Financial Statements
As per our report of even date attached
For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136
(DARSHAN SHAH)
Partner
Membership No. 131508
Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta
Juhi Chawla Mehta
P. K. Behl
M. S. Gilotra
V. R. Mohnot
Mumbai, dated May 24, 2017

Executive Vice Chairman
Director
Director
Managing Director
CFO & Company Secretary

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, 2016 ₹ In lacs
A. CASH FLOW FROM OPERATING ACTIVITIES (LOSS) BEFORE TAX	(3,900.95)	(1,292.01)
Adjustments for		
Depreciation	875.73	880.65
Finance Cost	414.10	569.89
Interest Income	(348.34)	(410.24)
Loss on sale of assets	14.78	18.58
Profit on sale of assets	(9.03)	(3.96)
Bad Debts written off	7.06	51.18
Provision for Doubtful debt and advances	6.36	1.58
Provision for doubtful debtors and advances written back (Net)	(1.16)	(51.43)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,941.45)	(235.76)
Adjustments for		
Trade receivables	348.87	429.29
Loans and Advances	395.81	(246.37)
Inventories	(171.88)	741.42
Trade payable	3,396.73	(846.40)
Other Liabilities	761.35	11.64
Provisions	192.50	173.32
CASH GENERATED FROM OPERATIONS	1,981.93	27.14
Income-tax (paid) / refund (net)	(53.20)	72.27
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	1,928.73	99.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE, intangible assets and work in process	(2,922.39)	(1,070.39)
Purchase of Long term investments	-	(1,382.64)
Sale of Property, Plant and Equipment	47.61	35.32
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(2,874.78)	(2,417.71)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	1,303.34	399.21
Repayment of Long-term Borrowings	(97.11)	(69.42)
Repayment of Short-term Borrowings (net)	(238.10)	(408.49)
Deposits held as margin money (net)	446.94	(619.28)
Finance Cost	(414.10)	(569.89)
Interest Income	298.01	492.65
Increase in Share Capital	-	1,500.00
NET CASH FLOW FROM FINANCING ACTIVITIES	1,298.98	724.78
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	352.93	(1,593.52)
CASH AND CASH EQUIVALENTS AS ON 01.04.2016	3,367.02	4,960.54
CASH AND CASH EQUIVALENTS AS ON 31.03.2017	3,719.95	3,367.02

Note:

- Cash Equivalents include ₹ 3,719.95 lacs (previous year ₹ 3,365.96 lacs) being Bank Balances and Fixed Deposits with Banks. Bank balances include earmarked balances of ₹ 14.53 lacs (previous year ₹ 14.54 lacs).
- Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard AS - 3 specified under section 133 of the Companies Act, 2013.
- Figures in bracket indicate Cash Outflow.

See accompanying Notes to Consolidated Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta

Juhi Chawla Mehta

P. K. Behl

M. S. Gilotra

V. R. Mohnot

Mumbai, dated May 24, 2017

Executive Vice Chairman

Director

Director

Managing Director

CFO & Company Secretary

Note No. 1**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :****1.1 Basis of Accounting :**

The consolidated financial statements are prepared as under :

- (a) on the historical cost convention,
- (b) on a going concern basis,
- (c) in accordance with the generally accepted accounting principles,
- (d) on an accrual system of accounting,
- (e) in accordance with the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Principles of Consolidation :

- (a) The consolidated financial statements have been prepared in accordance with principles and procedures laid down in Accounting Standard AS-21 "Consolidated Financial Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (b) 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.
- (c) The difference between cost of investments in the subsidiary company and holding company's share of Net Assets at the time of acquisition of shares in subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

1.3 Subsidiary Company considered in the Consolidated Financial Statement is:

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2017	Financial year ends
i.	Villa Trading Company Private Limited	India	100%	March 31, 2017

1.4 Use of Estimates:

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

1.5 Revenue Recognition :

- (a) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer which is on dispatch of goods to buyer. 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.
- (b) Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- (c) 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.
- (d) Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- (e) Octroi refund claims are accounted for on receipt basis.
- (f) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Income other than dividend and interest on Investments is recognised on maturity or sale.

1.6 (I) Property, Plant and Equipment :

- (a) Property, Plant and Equipment includes all expenditure of capital nature and are stated at cost (net of Cenvat, wherever applicable) less accumulated depreciation and accumulated impairment loss, if any.
- (b) 'Cost' for the purpose of valuing Property, Plant & Equipment and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).

- (c) Mobile Phones having worth less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.
- (d) Property, Plant and Equipment are eliminated from the financial statements on disposal or when no further benefit is expected from its use before disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value.
- (e) Expenditure during construction period (including finance cost relating to borrowed funds for construction or acquisition of qualifying assets) is included under Capital work-in-progress and the same is allocated to the respective Property, Plant and Equipment on the completion of their construction.

(II) Intangible Assets

- (a) Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

1.7 Depreciation and Amortisation :

- (a) Depreciation on PPE is provided on straight-line method over useful life of assets as prescribed in Part C of Schedule II to the Companies Act, 2013.
- (b) In respect of addition and sales of assets during the year, depreciation is provided on prorata basis.
- (c) Assets, having cost less than ₹ 5000/-, are fully depreciated in the year in which they are purchased.
- (d) Amortisation is provided over their respective individual assets' estimated useful lives on the straight line basis commencing from the year of assets available for use to the company.
- (e) Cost of Leasehold Land is amortized based on quantity of limestone extracted during the year out of total deposit of limestone available for mining.

1.8 Impairment of Assets :

- (a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Holding Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exists or have decreased.

1.9 Investments :

Investments that are intended to be held for more than a year from the date of acquisition are classified as long-term investments and are stated at its cost of acquisition except in case of investments made by subsidiary in equity shares of its associate which is stated at carrying value. Diminution, other than temporary, in the value of such investments is provided. Investments other than long-term investments, being current investments, are valued at the lower of cost and fair value, determined on an individual basis.

1.10 Inventories :

Inventories are valued as follows :

- (a) **Raw Material, Fuel, Stores & Spare Parts and Packing Material:**
At Cost, derived on moving weighted average basis, or net realisable value, whichever is lower.
- (b) **Work-in-Progress (WIP):**
At Cost or net realisable value, whichever is lower. Cost includes all direct cost and related factory overhead.
- (c) **Finished Goods:**
At Cost or net realisable value, whichever is lower. Cost includes all direct cost and related factory overhead and excise duty. Traded Goods are valued at cost or net realisable value, whichever is lower.

1.11 Foreign Currency Transactions :

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

1.12 Employee Benefits :

(a) Defined contribution plan:

The Holding Company's superannuation scheme and state governed provident fund scheme are defined contribution plans.

The contribution paid/payable under the schemes is recognised during the year in which the employees renders the related service.

(b) Defined benefit plan :

- (i) **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 Actuary. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains or losses are recognised immediately in the Consolidated Statement of Profit and Loss as Income or Expense.
- (ii) **Compensated Absences:** As per policy of the Holding Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Holding Company records an obligation for Compensated absences in the year in which the employees renders the services that increases this entitlement. The Holding Company measures the expected cost of compensated absences as the additional amount that the Holding Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an Actuarial valuation.

1.13 Provisions, Contingent Liabilities and Contingent Assets :

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Consolidated Financial Statements.
- (b) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities And Contingent Assets" notified under the Companies (Accounts) Rules, 2014.

1.14 Borrowing Cost :

Borrowing costs, attributable to the acquisition / construction of qualifying assets, are capitalized. Other borrowing costs are charged to Consolidated Statement of Profit and Loss.

1.15 Operating lease

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Consolidated Statement of Profit and Loss.

1.16 Taxation :

- (a) Income tax charge or credit comprises current tax and deferred tax charge or credit.
- (b) Current Income tax is measured at the amount expected to be paid to Tax authorities in accordance with the provisions of Income Tax Act, 1961.
- (c) Deferred tax asset or liability on timing difference are recognised using current rates and tax laws that have been enacted or substantively enacted by the Consolidated Balance Sheet date. Deferred tax assets are recognised to the extent there exists a virtual certainty that these assets can be realised in future. Deferred tax assets and liabilities are reviewed at each Balance Sheet date.
- (d) Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Holding Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Holding Company reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Holding Company will pay normal Income Tax during the specified period.

1.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.18 General :

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

NOTES TO CONSOLIDATED BALANCE SHEET :

Note No.	Particulars	As at			
		31.03.2017	31.03.2016		
		₹ In lacs	₹ In lacs		
2	Share Capital				
(a)	Authorized :				
	50,00,00,000 Equity Shares of ₹ 10 each	50,000.00	50,000.00		
(b)	Issued :				
	14,48,16,075 Equity Shares of ₹ 10 each	14,481.61	14,481.61		
(c)	Subscribed :				
	8,62,06,932 Equity Shares of ₹ 10 each	8,620.69	8,620.69		
(d)	Paid up :				
	8,61,53,852 Equity Shares of ₹ 10 each fully paid up	8,615.39	8,615.39		
	Add : Forfeited Shares	5.30	5.30		
	Total Share Capital	8,620.69	8,620.69		
(e)	Rights, preferences and restrictions :				
(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 share is entitled to one vote per share.				
(ii)	Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
(iii)	In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive residual assets of the Holding Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(f)	Shares of Parent Company held by its Holding Company				
		No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
	Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	4,880.00	48,800,000	4,880.00
(g)	Details of shares in the company held by each shareholder holding more than 5 per cent shares :				
S. No.	Name of the Shareholder	No. of shares	% of share holding	No. of shares	% of share holding
1	Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	56.65	48,800,000	56.65
2	GIIC Ltd.	8,252,697	9.58	8,252,697	9.58
(h)	Reconciliation of Paid up Share Capital :	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
	Opening Balance	86,153,852	8,615.39	86,153,852	7,115.39
	Add : Call money received	-	-	-	1,500.00
	Closing Balance	86,153,852	8,615.39	86,153,852	8,615.39

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	As at 31.03.2017 ₹ In lacs	As at 31.03.2016 ₹ In lacs
3 Reserves and Surplus		
(a) Capital Reserves		
(i) Capital Reserve Govt. Subsidy	26.95	26.95
(ii) Capital Reserve - Capital Reduction Account	6,921.68	6,921.68
(iii) Capital Reserve - On account of Consolidation	8.58	8.58
	6,957.21	6,957.21
(b) Surplus / (Deficit) in the Consolidated Statement of Profit and Loss		
Opening Balance	3,975.02	3,901.21
Less : (Deficit) for the year	(3,704.03)	73.81
Closing balance	270.99	3,975.02
	7,228.20	10,932.23
4 Long-term Borrowings	₹ In lacs	₹ In lacs
(a) Term loans, Secured		
• from banks	1,266.87	259.86
• from other parties	26.19	33.42
(b) Other loans and advances, Unsecured		
• Inter Corporate Loan	195.00	-
	1,488.06	293.28

Term Loan from HDFC Bank Limited obtained by the Holding Company is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Holding Company. This is further secured by personal guarantee of one of the Promoter Directors of the Holding Company, Corporate guarantee of Subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by Subsidiary Company. The Term Loan is repayable in 20 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

Term loans from Banks/other parties in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest ranging from 9.36% to 10.01% p.a.

Inter Corporate Loan is payable within 18 months from date of loans.

5 Deferred Tax Liabilities / Assets

In accordance with Accounting Standard AS - 22 "Accounting for Taxes on Income" specified under section 133 of the Companies Act, 2013, the Holding Company has reviewed its Deferred Tax Liabilities (DTL) and Deferred Tax Assets (DTA) upto 31-03-2017.

Accordingly the Holding Company has computed Deferred Tax Assets to the extent of Deferred Tax Liabilities of ₹ 1380.32 Lacs as on March 31, 2017 on the following items of timing differences as per computation given hereunder :

a. Deferred Tax Assets :	₹ In lacs	₹ In lacs
Accrued Expenses deductible on cash basis	637.74	503.21
Provision for Doubtful debts & advances	116.73	118.62
Unabsorbed Depreciation	625.85	805.65
Total	1,380.32	1,427.48
b. Deferred Tax Liabilities:		
Difference between WDV of Assets as per the Income-tax Act, 1961 and the Companies Act, 2013	1,380.32	1,427.48
Total	1,380.32	1,427.48
c. Net Deferred Tax (Liability)/ Assets (a – b)	-	-

	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
6 Other Long-term Liabilities		
Security Deposits from Customers & Dealers	<u>547.36</u>	<u>581.96</u>
	547.36	581.96
7 Long-term provisions	₹ In lacs	₹ In lacs
(a) Provision for employee benefits.		
(i) Gratuity	765.99	707.83
(ii) Leave Encashment	285.92	253.14
(b) Others	<u>1,756.24</u>	<u>1,677.91</u>
	2,808.15	2,638.88

The Holding Company's gratuity plan and leave encashment are not funded. The following table sets out the status of the gratuity plan and leave encashment as required under Accounting Standard AS - 15 "Employee Benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

I Changes in Present Value of Obligations:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity ₹ In lacs	PL Encashment ₹ In lacs	Gratuity ₹ In lacs	PL Encashment ₹ In lacs
Present Value of Obligation as at the beginning of the year	776.53	325.49	706.87	294.36
Current Service Cost	34.98	24.05	31.05	20.56
Interest Cost	62.04	26.01	55.84	23.26
Actuarial (gain) / Loss on obligations	45.68	31.84	39.94	33.91
Benefits paid	(70.05)	(40.29)	(57.17)	(46.60)
Present value of Obligation as at the end of the year	849.18	367.10	776.53	325.49

II The amount recognised in Consolidated Balance Sheet:

Present value of Obligation as at the end of the year	849.18	367.10	776.53	325.49
Fair Value of Plan Assets at the end of the year	-	-	-	-
Net Liability recognized in Balance sheet	849.18	367.10	776.53	325.49

III Amount recognised in Consolidated Statement of Profit and Loss :

Current Service Cost	34.98	24.05	31.05	20.56
Interest Cost	62.04	26.01	55.84	23.26
Net Actuarial (gain) / Loss recognised in the year	45.68	31.84	39.94	33.91
Expenses Recognized in the Consolidated Statement of Profit & Loss	142.70	81.90	126.83	77.73

IV Assumptions:

Mortality Table	2006-08	2006-08	2006-08	2006-08
Discount Rate	7.51%	7.51%	7.99%	7.99%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

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		As at 31.03.2017	As at 31.03.2016
		₹ In lacs	₹ In lacs
8	Short-term borrowings		
	(a) Secured Loans		
	i) From banks *	1,447.70	1,485.82
	ii) From others **	400.00	600.00
	(b) Unsecured Loans		
	i) From Others	0.02	-
	TOTAL	1,847.72	2,085.82

* The overdraft from bank obtained by the Holding Company is secured against pledge of FDRs of ₹ 2,914.32 lacs (previous year ₹ 2,235.83 lacs) of the Holding Company.

** The loan 'from others' has been secured by pledge of shares of Saurashtra Cement Ltd. held by Subsidiary Company and personal guarantee of a director of Holding Company.

9	Trade Payables	₹ In lacs	₹ In lacs
	(a) Trade Payable	8,885.21	5,625.27
	(b) Amount payable to related party (refer note no. 33)	136.80	-
		9,022.01	5,625.27

Additional disclosure in respect of dues to micro, small and medium enterprises :

		₹ In lacs	₹ In lacs
i.	Principal amount remaining unpaid and interest thereon	121.48	1.86
ii.	Interest paid in terms of Section 16	-	-
iii.	Interest due and payable for the period of delay in payment	4.41	-
iv.	Interest accrued and remaining unpaid	4.41	-
v.	Interest due and payable even in succeeding years	-	-

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

10	Other current liabilities	₹ In lacs	₹ In lacs
	(a) Current maturities of long-term debt		
	(i) Banks	95.48	72.26
	(ii) Others	7.22	19.00
	(b) Advance from customers	1,718.47	1,222.03
	(c) Security Deposits	4.98	4.98
	(d) Statutory dues	1,220.58	1,237.05
	(e) Unpaid Dividend	14.34	14.35
	(f) Other liabilities		
	(i) Liabilities for expenses at the year-end	1,154.58	1,088.30
	(ii) Others	470.14	220.43
		4,685.79	3,878.40

11	Short-term provisions	₹ In lacs	₹ In lacs
	(a) Provision for Gratuity- Current	83.20	68.70
	(b) Provision for Leave encashment - Current	81.18	72.35
	(c) Provision for tax (Net of TDS of ₹ 0.1 lacs, previous year NIL)	0.21	-
		164.59	141.05

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note No. 12

(i) Property, Plant & Equipment

₹ In lacs

	Gross Block at Cost		Depreciation		Net Block	
	As at April 1, 2016	As at March 31, 2017	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
(a) Land						
Freehold	222.59	281.43	-	-	281.43	222.59
Leasehold	31.90	205.23	-	-	205.23	31.90
(b) Buildings	3,775.14	3,776.53	78.23	-	1,385.07	1,461.91
(c) Plant and Equipment	20,829.76	20,935.68	308.29	-	5,935.36	6,137.73
(d) Furniture and Fixtures	1,238.81	1,271.50	116.85	2.63	440.32	521.85
(e) Vehicles	2,038.35	1,957.55	741.21	82.03	1,051.20	1,297.14
(f) Computers	421.76	430.25	372.83	-	36.32	48.93
(g) Office equipment	785.99	808.76	70.90	-	177.42	225.55
Total	29,344.30	29,666.93	842.54	84.66	9,512.35	9,947.60
Previous Year	28,570.20	29,344.30	838.34	124.01	9,947.60	

(ii) Intangible Assets

	Gross Block at Cost		Amortisation		Net Block	
	As at April 1, 2016	As at March 31, 2017	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
Computer Software including Licence Fees & Membership fees	179.17	181.60	33.12	-	165.57	46.72
Total	179.17	181.60	33.12	-	165.57	46.72
Previous Year	173.15	179.17	42.31	-	46.72	

(iii) Capital Work in Progress

	Gross Block at Cost		Impairment		Net Block	
	As at April 1, 2016	As at March 31, 2017	Additions	Deductions	As at March 31, 2017	As at March 31, 2016
Capital Work in progress	470.57	2,343.06	-	-	2,343.06	470.57
Previous Year	354.25	470.57	-	-	470.57	

Note :

(a) Two residential flats in Mumbai of the Holding Company have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letter of Credits to the Holding Company.

(b) Leasehold land has been acquired for mining purpose by the Holding Company. The land can't be sold without permission of the Collector.

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		As at 31.03.2017 ₹ In lacs	As at 31.03.2016 ₹ In lacs
13	Non-current investments		
	Other than Trade - Long Term (At Cost)		
	(a) Investment in Equity Instrument (Quoted) :		
	In Associate:		
	1,41,58,267 Equity Shares of ₹ 10 each in Saurashtra Cement Limited *	10,024.76	9,827.53
	(b) Investment in Equity Instrument (Unquoted) :		
	20,91,000 (Previous Year 1,59,000) Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Pvt. Ltd.	3.79	0.30
	(c) Other Investment (Unquoted) :		
	6 Years National Savings Certificates	-	0.08
	(Kept as security deposit with Government authorities)		
		10,028.55	9,827.91
	Aggregate Market Value of Quoted Investments	8,544.51	8,707.33
	Aggregate Cost of Quoted Investments	7,892.85	7,892.85
	* Investments in Equity Instrument of Associate includes ₹ 28,05,11,065 (Previous Year ₹ 28,05,11,065) towards Goodwill arising on the acquisition of shares of the Associate.		
14	Long-term loans and advances	₹ In lacs	₹ In lacs
	(a) Capital Advances, considered good	658.36	71.54
	(b) Security Deposits, considered good	926.96	931.33
	(c) MAT Credit Entitlement (refer note no. 36 (b))	1,312.23	1,312.23
	(d) Taxes paid in advance (net of provision of ₹ NIL, previous year ₹ 5.24 lacs)	76.82	226.52
	(e) VAT receivable	-	5.51
	(f) Advance to Staff	22.64	30.13
	(g) Other loans and advances		
	(i) Considered Good	10.25	11.50
	(ii) Considered Doubtful	323.92	323.92
	Less : Provision for Doubtful Advance	(323.92)	(323.92)
		3,007.26	2,588.76
15	Other non-current assets	₹ In lacs	₹ In lacs
	(a) Fixed deposits with bank maturing after 12 months	324.04	770.98
	Of the above, fixed deposits of ₹ 321.64 lacs (Previous year ₹ 770.98 lacs) kept as security / margin money against overdraft / guarantees		
		324.04	770.98
16	Current Investments	₹ In lacs	₹ In lacs
	Investments in Government securities :		
	6 Years National Savings Certificates	0.14	0.06
	(Kept as security deposit with Government authorities)		
		0.14	0.06

	As at 31.03.2017	As at 31.03.2016
	₹ In lacs	₹ In lacs
17 Inventories		
(a) Raw materials (includes materials in transit of ₹ 360.74 lacs, previous year ₹ 6.30 lacs)	850.33	329.84
(b) Work-in-progress	2,492.45	1,918.26
(c) Finished goods	216.87	793.02
(d) Stores and spares (includes stores and spares in transit of ₹ 58.56 lacs, previous year ₹ 20.77 lacs)	1,241.26	1,548.32
(e) Fuel (includes coal in transit of ₹ 763.85 lacs, previous year ₹ 661.02 lacs)	851.32	890.91
	5,652.23	5,480.35
18 Trade Receivables (unsecured)	₹ In lacs	₹ In lacs
(a) Outstanding for a period exceeding six months		
- considered good	0.41	168.89
- considered doubtful	48.23	50.60
(b) Others - considered good		
- Amount receivable from a related party (refer note no. 33)	-	23.25
- Others	871.67	1,039.86
	920.31	1,282.60
Less : Provision for Doubtful Debts	(48.23)	(50.60)
	872.08	1,232.00
19 Cash and Bank Balances	₹ In lacs	₹ In lacs
(a) Cash and cash equivalent		
(i) Balances with banks in current accounts	346.15	531.20
(ii) Cash on hand	0.00	1.06
	346.15	532.26
(b) Other Bank Balances		
(i) Earmarked Balances with Bank	14.53	14.54
(ii) Fixed Deposits with Banks	3,359.27	2,820.22
[Of the above, fixed deposits of ₹ 3,359.27 lacs (Previous year ₹ 2,320.23 lacs) kept as security / margin money against overdraft, letter of credit and guarantees]		
	3,719.95	3,367.02
20 Short-term loans and advances	₹ In lacs	₹ In lacs
(a) Unsecured, Considered Good		
(i) Taxes paid in advance	115.10	62.00
(ii) Advance against purchase of Stores and Spare	111.93	113.16
(iii) Advance against purchase of shares	-	3.49
(iv) Cenvat Credit Receivable	220.53	206.17
(v) Others	244.22	451.04
(b) Unsecured, Considered Doubtful		
(i) Advance against purchase of Stores and Spares	5.61	4.40
	697.39	840.26
Less : Provision for Doubtful Advance	(5.61)	(4.40)
	691.78	835.86
21 Other current assets	₹ In lacs	₹ In lacs
Interest Accrued but not due on Fixed Deposits	187.42	137.09
Gujarat-Vat Refund Receivable	57.32	-
Other Receivable	0.36	92.66
	245.10	229.75

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS:

Note No. Particulars	For the year ended March 31, 2017 ₹ In lacs	For the year ended March 31, 2016 ₹ In lacs
22 Revenue from Operations :		
(a) Sale of products;		
(i) Cement	47,655.72	48,190.75
(ii) Clinker	1,814.76	4,627.14
(b) Other operating revenues		
(i) Sale of Scrap	87.49	96.38
(ii) Export Entitlement	8.52	24.58
	<u>49,566.49</u>	<u>52,938.85</u>
Less:		
(c) Excise duty	5,830.84	6,032.27
	<u>43,735.65</u>	<u>46,906.58</u>
23 Other Income	₹ In lacs	₹ In lacs
(a) Interest Income	348.34	410.24
(b) Dividend Income	141.58	-
(c) Insurance claim	11.48	3.27
(d) Profit on sale of assets	9.03	3.96
(e) Provision no longer required written back	131.11	96.41
(f) Exchange Rate Fluctuation	96.87	-
(g) Sundry credit balances written back	0.02	57.14
(h) Provision for doubtful debts written back	7.52	53.01
(i) Sales Tax refund	1.02	28.82
(j) Miscellaneous Income	20.25	31.16
	<u>767.22</u>	<u>684.01</u>
24 Cost of material consumed	₹ In lacs	₹ In lacs
(a) Raw materials *		
Opening Stock of Raw Materials	329.84	642.14
Add: Purchases	6,200.05	4,918.47
Less: Closing Stock of Raw Materials	850.33	329.84
	<u>5,679.56</u>	<u>5,230.77</u>
(b) Royalty, Cess and Limestone raising cost		
(i) Limestone raising and Transportation	1,064.65	1,197.32
(ii) Royalty	842.37	979.16
(iii) Welfare cess	1.16	12.57
(iv) District Mineral Fund (DMF) & others	284.76	390.40
	<u>2,192.94</u>	<u>2,579.45</u>
(c) Packing material		
Opening Stock of Packing Materials	59.55	44.15
Add: Purchases	1,720.57	1,514.09
Less: Closing Stock of Packing Materials	89.45	59.55
	<u>1,690.67</u>	<u>1,498.69</u>
Total material consumed	<u>9,563.17</u>	<u>9,308.91</u>
* Details of Raw Material Consumed		
(i) Limestone and Marl	3,649.25	3,178.09
(ii) Gypsum	792.61	891.40
(iii) Fly Ash	794.13	660.98
(iv) Others	443.57	500.30
	<u>5,679.56</u>	<u>5,230.77</u>

	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹ In lacs	₹ In lacs
25 Change in inventories of finished goods and work-in-progress		
(a) Opening stock of inventories		
Finished Goods - Cement	793.02	430.39
Work-in-progress - Raw Flour and Clinker	1,918.26	1,553.40
(b) Closing Stock of inventories		
Finished Goods - Cement	216.87	793.02
Work-in-progress - Raw Flour and Clinker	2,492.45	1,918.26
(Increase)/ decrease in inventories	<u>1.96</u>	<u>(727.49)</u>
26 Employee Benefits Expense	₹ In lacs	₹ In lacs
(a) Salaries and wages	3,170.42	2,879.53
(b) Contribution to provident and other funds	208.23	202.51
(c) Staff welfare expense	81.47	101.63
	<u>3,460.12</u>	<u>3,183.67</u>
27 Finance Cost	₹ In lacs	₹ In lacs
i. Interest Expense		
(a) On Borrowings	221.65	278.81
(b) On Customs Duty	64.45	76.93
(c) On Others	108.92	174.52
ii. Other Borrowing Cost	19.08	39.63
	<u>414.10</u>	<u>569.89</u>
28 Other expenses	₹ In lacs	₹ In lacs
(a) Power and fuel	18,606.68	18,637.58
(b) Stores and spares consumed	2,577.87	2,619.69
(c) Repair and maintenance*	1,505.98	1,627.33
(d) Insurance	82.66	125.79
(e) Rent	192.95	184.56
(f) Rates and taxes	37.01	26.90
(g) Payment to auditors**	18.57	13.99
(h) Directors' sitting fees	22.60	36.60
(i) Loss on sale/discard of assets	14.78	18.58
(j) Bad Debts written off	7.06	51.18
(k) Provision for doubtful debt and advances	6.36	1.58
(l) Travelling and conveyance expenses	443.46	615.41
(m) Exchange rate fluctuation	-	55.68
(n) Legal and professional expenses	181.73	262.40
(o) Freight	5,996.39	6,673.70
(p) Commission and discounts	1,118.44	978.56
(q) Selling expenses	2,217.41	2,420.16
(r) Packing Plant Expenses	446.00	457.03
(s) Miscellaneous Expenses	612.79	860.24
	<u>34,088.74</u>	<u>35,666.97</u>

43rd Annual Report

For the year ended
March 31, 2017 For the year ended
March 31, 2016

***Repairs and maintenance**

(a) Repairs to buildings.	123.08	242.25
(b) Repairs to machinery.	841.92	904.51
(c) Others	540.98	480.57
	1,505.98	1,627.33

**** Payments to the auditors**

(a) For Statutory Audit	8.37	7.11
(b) For Tax Audit	2.02	2.00
(c) For Other services	4.62	2.21
(d) For Travelling Expenses	3.56	2.67
	18.57	13.99

29 Earning Per Share:

(a) Net Profit/(Loss) after Tax (₹ in lacs)	(3,704.03)	73.81
(b) Total Weighted Average Number of Shares for Basic & Diluted Earning	86,153,852	72,016,866
(c) Basic & Diluted Earning per share in rupees	(4.30)	0.10

30 a) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of

(i) Raw Materials	₹ In lacs	₹ In lacs
(ii) Fuel	537.11	645.95
(iii) Components and spare parts	5,199.87	2,217.83
(iv) Capital goods	430.78	355.75
	9.32	52.48

b) Expenditure in foreign currency during the financial year on account of

(i) Professional and Consultation fees	4.33	9.25
(ii) Travelling Expenses	27.18	96.99
(iii) Others	52.94	55.42

c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.

	₹ In lacs	Percentage	₹ In lacs	Percentage
(i) Raw Materials :				
Imported	527.61	9.29	739.17	14.13
Indigenous	5,151.95	90.71	4,491.60	85.87
	5,679.56	100.00	5,230.77	100.00
(ii) Stores and Spares :				
Imported	459.63	17.83	488.71	18.66
Indigenous	2,118.24	82.17	2,130.98	81.34
	2,577.87	100.00	2,619.69	100.00

d) Earnings in foreign exchange

(i) Export of goods calculated on F.O.B. basis	₹ In lacs	₹ In lacs
(ii) Despatch Money received	853.27	2,475.41
	6.34	14.84

31 The amount of expenditure on Corporate Social Responsibility (CSR) activities is ₹ Nil (previous year ₹ 29.98 lacs).

		For the year ended March 31, 2017	For the year ended March 31, 2016
		₹ In lacs	₹ In lacs
32	Contingent liabilities and commitments		
	(to the extent not provided for)		
	(a) Contingent liabilities		
	(i) Claims against the company not acknowledged as debt	776.62	792.92
	(ii) Other money for which the Holding Company is contingently liable -		
	- Excise duty	1,230.28	1,205.57
	- Customs	74.09	74.09
	- Service Tax	150.61	13.93
	- Rajasthan Sales Tax	24.73	24.73
	- Gujarat Sales Tax	112.94	112.94
	- Gujarat VAT	311.84	311.84
	- Income-tax	-	1.50
	- Octroi	38.49	140.98
	(iii) The Holding Company is required to comply with the energy consumption norms and standards specified under notification number S.O.687(E) dated 30th March, 2012 of the Government of India, Ministry of Power during the first cycle for the period from 2012-13 to 2014-15. Consequently the Holding Company is required to purchase 13,775 (Nos.) Energy Savings Certificates. The value is not ascertainable as the Certificates are not tradable on the Energy Exchange.		
	(b) Commitments		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 637.83 lacs; previous year ₹ 70.78 lacs)	3,592.48	189.33
33	(A) Related Parties Disclosure:		
	(a) Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Capital :		
	1 Ria Holdings Ltd.		
	2 Pranay Holdings Ltd.		
	3 Reeti Investment Private Ltd.		
	4 Prachit Holdings Ltd.		
	5 Sumaraj Holding Private Ltd.		
	6 Sunnidhi Trading Private Ltd.		
	7 Shree Anandeya Investment Private Ltd.		
	8 Sameta Export Private Ltd.		
	9 Pallor Trading Company Private Ltd.		
	10 The Arj Investments Limited		
	11 Treasurer's Trading Limited		
	12 GILC Limited		
	13 Samja Mauritius Limited		
	14 Mehta Investments Pte Limited		
	(b) Holding Company:		
	Bhadra Textiles and Trading Private Limited		

(c) List of Key Managerial Personnel and their relatives :

1	Mr. Jay Mehta	-	Executive Vice Chairman
2	Mr. M. S. Gilotra	-	Managing Director
3	Mr. M. N. Mehta	-	Father of Mr. Jay Mehta
4	Mrs. Juhi Chawla Mehta	-	Wife of Mr. Jay Mehta

(d) Name of the company in which policies are controlled by common Key Management Personnel and Associate of Subsidiary Company :

Saurashtra Cement Limited

(B) Disclosure of Related Parties Transactions :

	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹ In lacs	₹ In lacs
1	Remuneration to Mr. Jay Mehta *	249.81
2	Remuneration to Mr. M. S. Gilotra	141.36
		249.81
		140.22

*In view of inadequacy of profit for the year 2016-17, remuneration payable by the Holding Company to Mr. Jay Mehta (Executive Vice Chairman) is in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The Holding Company has made application to the Central Government for payment of remuneration in excess of limit for the period from 1-04-2016 to 31-12-2016. For remuneration for the period from 1-01-2017 to 31-03-2017, the Holding Company will make an application to the Central Government after obtaining approval from Nomination and Remuneration Committee, the Board of Directors and Shareholders in AGM. Pending these approval, the provision for remuneration has been made in the accounts by the Holding Company on the basis of resolution passed by shareholders in the Annual General Meeting held on 22nd September 2015.

In view of inadequacy of profit for the years 2014-15 and 2015-16, remuneration paid by the Holding Company to Mr. Jay Mehta (Executive Vice Chairman) was in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The Holding Company has made application to the Central Government for approval of excess remuneration. Pending approval of the Central Government, an amount of ₹ 184.79 lacs for the year 2014-15 and ₹ 163.44 lacs for the year 2015-16 is held in trust by him.

	For the year ended March 31, 2017	For the year ended March 31, 2016
3	Payments to relatives of Key Managerial Personnel:	
a.	Directors sitting fees to Mr. M. N. Mehta	1.50
b.	Directors sitting fees to Mrs. Juhi Chawla Mehta	1.20
		1.50
		2.70
4	Particulars of transactions with Saurashtra Cement Ltd. The transactions are disclosed in aggregate value for the year:	
	Particulars	
		For the year ended March 31, 2017
		For the year ended March 31, 2016
		₹ In lacs
		₹ In lacs
	Purchase of Goods, materials and power	559.80
	Sale of Goods & materials	256.28
	Services received [Net]	56.53
	Outstanding Receivable / (Payable)	(136.80)
		194.91
		1,432.16
		118.77
		23.25

34 Disclosure on Specified Bank Notes (SBNs) :

The disclosure of Specified Bank Notes 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 :

Particular	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	5.59	0.64	6.23
Permitted Receipt	-	9.74	9.74
Permitted Payments	-	7.34	7.34
Amount deposited in Banks	5.59	0.11	5.70
Closing Cash in hand as on 30/12/2016	-	2.93	2.93

35 The Group has only one business segment 'Cement / Clinker' as primary segment.

- 36**
- No provision for income tax is made by Holding Company in view of loss for the current financial year.
 - The Holding Company has continued to recognise MAT credit entitlement of earlier years as the Management expects that there will be sufficient taxable income in view of improved demand for Cement, availability of limestone from its own mines and installation of Waste Heat Recovery Power plant which will result into saving in cost of power. Consequently, the MAT credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in foreseeable future.

37 Additional information as required in terms of Schedule III to the Companies Act, 2013 is as under :

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	₹ In lacs	As % of consolidated loss	₹ In lacs
1	2	3	4	5
Parent : Gujarat Sidhee Cement Limited				
Subsidiaries :				
Indian				
1 Villa Trading Company Pvt. Ltd.	59.64%	9,452.25	-5.41%	200.40
Minority Interest		Not Applicable		
Joint Ventures		Not Applicable		
Total	59.64%	9,452.25	-5.41%	200.40

38 The previous year's figures have been regrouped / rearranged so as to conform to the current year's figures.

As per our report of even date attached
For **MANUBHAI & SHAH LLP**
Chartered Accountants
Firm Registration No. 106041W / W100136
(DARSHAN SHAH)
Partner
Membership No. 131508
Mumbai, dated May 24, 2017

For and on Behalf of the Board of Directors

Jay M. Mehta	<i>Executive Vice Chairman</i>
Juhi Chawla Mehta	<i>Director</i>
P. K. Behl	<i>Director</i>
M. S. Gilotra	<i>Managing Director</i>
V. R. Mohnot	<i>CFO & Company Secretary</i>

Mumbai, dated May 24, 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
Name of the subsidiary	Villa Trading Company Pvt. Ltd.
Share capital	4,175.02
Reserves & surplus	5,277.23
Total Assets	10,049.46
Total Liabilities	597.21
Investments	10,024.74
Turnover	142.57
Profit / (Loss) before taxation	3.48
Provision for taxation	0.31
Profit / (Loss) after taxation	200.40
Proposed Dividend	-
% of shareholding	100%

For and on Behalf of the Board of Directors

Jay M. Mehta	<i>Executive Vice Chairman</i>
Juhi Chawla Mehta	<i>Director</i>
P. K. Behl	<i>Director</i>
M. S. Gilotra	<i>Managing Director</i>
V. R. Mohnot	<i>CFO & Company Secretary</i>

Mumbai, dated May 24, 2017

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