

Saurashtra Cement Limited

Corporate Office

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

Date: August 16, 2019

BSE Ltd

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

COMPANY CODE : 502175

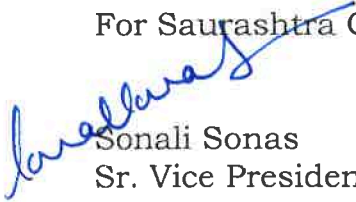
Dear Sir/Madam,

Sub: Notice and Annual Report of Annual General Meeting for the year 2018-19

Please find enclosed herewith Annual Report of the Company for the financial year 2018-19 alongwith the Notice of 61st Annual General Meeting of the Company to be held on Wednesday, August 21, 2019 at the Registered Office of the Company, Near Railway Station, Ranavav 360560 (Gujarat).

Thanking You,
Yours faithfully,

For Saurashtra Cement Limited



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



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

SAURASHTRA CEMENT LIMITED

(CIN : L26941GJ1956PLC000840)

Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)

E-Mail: sclinvestorquery@mehtagroup.com;

Website: www.saurashtracementlimited.com

Phone: 02801-235001, 02801-304200 Fax : 02801-304376

NOTICE

Notice is hereby given that the 61st Annual General Meeting of the Members of the Company will be held on **Wednesday the 21st August 2019 at 3.00 p.m.** at the Registered Office of the Company, Near Railway Station, Ranavav 360560 (Gujarat), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2019, Audited Statement of Profit & Loss Account for the Financial Year ended 31st March 2019 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Hemnabh Khatau (DIN: 02390064), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the appointment and remuneration of the Cost Auditors for the Financial Year ending March 31, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s. V.J.Talati & Co, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020, at a remuneration of ₹ 75,000 /- (Rupees Seventy Five Thousand Only) plus Goods and Service Tax (GST) and reimbursement of out of pocket expenses incurred by them during the course of Audit, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read along with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time; Mr. Ashwani Kumar (DIN: 02870681) who was appointed by the Board of Directors as an Additional Director of the Company categorized as 'Independent Director' on 13th February 2019 and who holds office of Independent Director upto the conclusion of the ensuing Annual General Meeting and being eligible be and is hereby appointed as an Independent Director for a period of 5 years w.e.f. 13/2/2019."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution for continuation of holding of office by Mr. B. P. Deshmukh beyond the age of 75 years as a Non-Executive Independent Director of the Company as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Companies Act, 2013 as amended from time to time, Regulation 17(1)(2)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and in accordance with the Articles of Association of the Company; the consent of the Members of the Company be and is hereby accorded for continuation of holding of office by Mr. B. P. Deshmukh (DIN- 00002357) as a Non-Executive Independent Director of the Company upto 31/3/2024 who will be attaining the age of 75 years on 15/7/2019."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution for continuation of holding of office by Mr. Jayant N. Godbole beyond the age of 75 years as a Non-Executive Independent Director as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Companies Act, 2013 as amended from time to time, Regulation 17(1) (2)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and in accordance with the Articles of Association of the Company; the consent of the Members of the Company be and is hereby accorded for continuation of holding of office by Mr. Jayant N. Godbole (DIN-00056830) as a Non-Executive Independent Director of the Company upto 31/3/2024 who will attaining the age of 75 years on 17/2/2020."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 read with applicable rules made under the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modifications or re-enactment thereof), and pursuant to the consent of the Audit Committee and the Board of Directors at the meeting held on 25th May 2019, the consent of the Members of the Company be and is hereby accorded to enter into transaction with related party (Mehta Private Limited) as per the details provided in the explanatory statement."

"RESOLVED FURTHER THAT the Board of Directors and / or any Committee be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things in its absolute discretion including delegation of authority as may be deemed necessary, proper or expedient to any persons as they deem fit to give effect to this resolution and for the matters connected herewith or incidental thereto."

Place : Mumbai
Dated : 25th May, 2019
Near Railway Station
Ranavav, 360560
Gujarat.

By the Order of the Board of the Directors

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Further, a member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business specified above is annexed hereto.
4. Re-appointment of Directors:
Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 the profiles of directors proposed to be re-appointed at the ensuing Annual General Meeting is annexed to the Notice.
5. The Share Transfer Books and Register of Members of the Company shall remain closed from **Thursday the 8th August, 2019 to Wednesday the 21st August, 2019** (both days inclusive) in connection with the Annual General Meeting.
6. Only bonafide members of the Company whose names appear on the Register of members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps necessary to restrict non-members from attending the meeting.



7. (a) Members are requested to notify immediately any change of address:
 - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii. To the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083 in respect of their physical share folios, if any.
- (b) In case the mailing address mentioned on this Annual Report is without the pin code, members are requested to kindly inform the Registrars & Transfer Agents their PIN CODE immediately.
8. Non-resident Indian Members are requested to inform the Registrars immediately of the change in their residential status, if any.
- 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN), Bank details and other KYC details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.**
10. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Annual General meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
11. Electronic copy of the Notice and Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice and Annual Report for 2018-19 is being sent in the permitted mode. **Members are requested to Register their e-mail ID with respective Depository Participant (s) and/or Registrars & Transfer Agents to support Green Initiative of Government of India.**
12. Members may also note that the Notice of the 61st Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website **www.saurashtracementlimited.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10.00 a.m. to 12.00 noon on any working day till the date of the ensuing Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's investor email id: scinvestorquery@mehtagroup.com.
13. The Annual Report for 2018-19 along with the Notice of Annual General Meeting is being sent to the Members, whose names appear in the Register of Members / depositories as at closing hours of business on **19th July, 2019**.
- 14. Shares of the Company are compulsorily required to be traded in demat form. If you have not dematerialized your shares, you are requested to get the shares dematerialized at the earliest in your own interest.**
15. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 61st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL) and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **13th August, 2019**. (the cut-off date)

A member may participate in the General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

The Chairman shall at the Annual General Meeting at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer by use of ballot or polling paper for all those members who are present at the General Meeting but have not cast their votes availing the remote e-voting facility.

Mr. Sachin Ahuja, Chartered Accountant (Membership No. 109019) and Proprietor of M/s. Sachin Ahuja & Associates, Chartered Accountants (Membership No. 133448W) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.saurashtracementlimited.com** and on the website of NSDL immediately on passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

The instructions for Members voting electronically are as under:

(i) The voting period begins on **18th August, 2019 at 9.00 a.m. and ends on 20th August, 2019 at 5.00 p.m.** During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(ii) The members should log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

(iii) **Details on how to log-in to NSDL e-Voting website is mentioned below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

For CDSL: 16 digits beneficiary ID,

Members holding shares in Physical Form should enter EVEN Number followed by Folio Number registered with the Company.

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.



7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

(iv) **Details on how to cast your vote electronically on NSDL e-Voting system are given below:**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

(v) **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **sachinca.associates@gmail.com** with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password](#)" or "[Physical User Reset Password](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Any further queries can be addressed to Mr. Sharad Patkar (Senior Executive), Link Intime India Pvt. Ltd., C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, E-mail ID: rnt.helpdesk@linkintime.co.in.

Place : Mumbai,
Dated : 25th May, 2019
Registered Office:
Near Railway Station,
Ranavav, 360560
Gujarat

By the Order of the Board of Directors

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

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Items No. 3

The Board has on the recommendation of the Audit Committee, approved the appointment of M/s. V. J. Talati & Co., Cost Accountants as Cost Auditor of the Company at a remuneration of ₹ 75,000/- plus applicable tax and reimbursement of travelling and out of pocket expenses incurred to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020.

The remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors needs to be ratified by the Members of the Company.

Accordingly the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for appointment and remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Accordingly the Board recommends the resolution as set out in item 3 of the Notice for approval of the Members.

Item No. 4

Mr. Ashwani Kumar was appointed as Additional Director (categorized as an Independent Director) effective from 13th February 2019 and has submitted declaration of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mr. Ashwani Kumar, aged 60, is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. A versatile banker, Mr. Kumar has a rich banking experience of over 37 years in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.

Mr. Ashwani Kumar is not disqualified from being appointed as Director in terms of Section 164 and has given his consent to act as Director.

The Board of Directors have effectively evaluated the performance of Mr. Ashwani Kumar as per the requirement of the Companies Act, 2013 and confirmed that he has also fulfilled the independence criteria as specified under the SEBI (LODR) Regulation, 2015 and the Board has considered his appointment as Independent Director of the Company.

It is proposed to appoint Mr. Ashwani Kumar as an Independent Director under Section 149 of the Act for a period of 5 years computed effective from 13th February 2019 and his appointment is placed before the members for their approval.

Except Mr. Ashwani Kumar, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Accordingly the Board recommends the passing of the Resolution as set out in the item no. 4 for the approval of the Members.

Item No. 5 and 6

Regulation 17(1)(2)(1A) of the SEBI (LODR) Regulations 2015 as amended on 9th of May 2018 provides that "No listed entity shall appoint a person or continue the Directorship of any person as a non-executive director who has attained the age of 75 years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointment of such a person."

The same has become effective from 1st of April 2019.

Details of the Directors who shall attain the age of 75 years during the year is given below:

Sr. No.	Name of the Director	Designation	Date of Birth and Age	Date of appointment	Tenure ends on	Brief profile
1.	Mr. B. P. Deshmukh (DIN: 00002357)	Independent Director	15/07/1944 75 Years	He joined the Board in October 2004 and was reappointed as Independent Director in current term on 14.8.2018 for another consecutive period of 5 years	31.3.2024	Mr. Deshmukh has done M.Com, LLB and FCS. He has varied experience in Finance.
2.	Mr. Jayant N. Godbole (DIN: 00056830)	Independent Director	17/02/1945 74 Years	He joined the Board in April 2008 and was reappointed as Independent Director in current term on 14.8.2018 for another consecutive period of 5 years.	31.3.2024	Mr. Godbole has done BTech (Hons), IIT (Powai). He has varied experience in Finance.

NOTICE



Save and except above Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions.

In view of the experience of these Directors and the contribution made by them in the growth of the Company; the Board recommends the passing of the Special Resolutions as set out in the item no. 5 and 6 for the approval of the Members.

Item No.7

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates approval of members for Related Party Transactions.

The proviso to Section 188 (1) further states that no member of the company shall vote on such special resolution, to approve any contract or arrangement, which may be entered into by the company, if such member is related party.

Pursuant to the provisions of the Companies Act 2013, the Board of Directors of the company at its meeting held on 25th May 2019 has approved transaction relating to availing of guest house facilities from Mehta Private Limited situated on the first floor admeasuring an area of around 4000 sq. ft. at 22 B. G. Kher Marg, Mumbai 400 006 for stay of Directors / Senior Executives / Consultants of the Company on a leave and license basis for a period of three years or such extended period as may be mutually agreed at a monthly rental of Rs.138/- per sq. ft. and at mutually agreed incremental from time to time for the Financial Year 2019-20 and beyond and on such terms and conditions as may be mutually agreed.

Further all the outgoings such as utility charges, telephone charges, maintenance and other cost etc. shall be payable by the Company.

Mehta Private Limited, is a related party and there are common Directors on the Board of Mehta Private Limited and the Company. Also the transaction relates to lease of property. Hence in abundant caution, the consent of the Members is sought.

All prescribed disclosures as required to be given under the provisions of the Companies Act 2013 and the Companies (Meetings of the Board and its powers), Rules 2014 are given here in below in a tabular format for kind perusal of the members:

Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Relationship	Nature, material terms and particulars of contracts and arrangement.	Maximum Value of the Contract and arrangement per annum. (Rs. in Lacs)
Mehta Private Limited	Mr. M. N. Mehta, Chairman Mr. Jay Mehta, Executive Vice Chairman Mr. Hemang D. Mehta, Director	Mr. Jay Mehta is son of Mr. M.N. Mehta.	To avail guest house facilities to be used by Senior Executives / Directors / Consultants of the Company.	78.00 plus maintenance cost

Except Mr. M.N. Mehta, Mr. Jay Mehta and Mr. Hemang D. Mehta, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at item no. 7 of the Notice.

The Board recommends passing of the resolution as Special resolution.

Place : Mumbai,
Dated : 25th May, 2019
Registered Office:
Near Railway Station
Ranavav 360560,
Gujarat.

By the Order of the Board of Directors

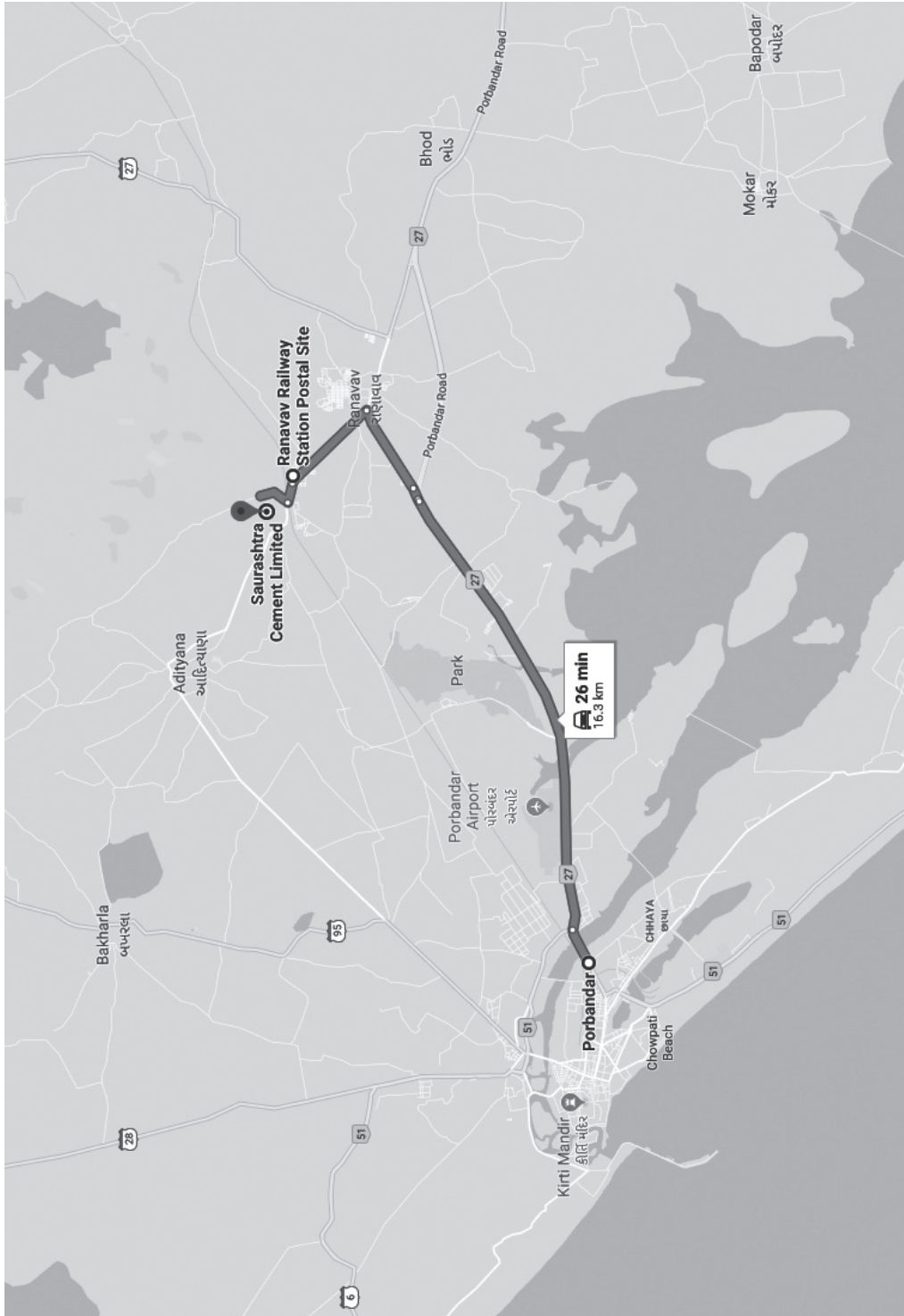
Sonali Sanas
Sr.Vice President (Legal) & Company Secretary

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

Name of Director	Mr. Hemnabh R. Khatau	Mr. Ashwani Kumar
Date of Birth	27th February, 1961	28th February 1958
Date of Appointment	Initially joined the Board on 25.10.2008 and was reappointed in current term on 26.7.2017.	He joined the Board on 13th February 2019.
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance.	A versatile banker, Mr. Kumar has a rich banking experience of over 37 years in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.
Qualification	B.A. (Engg). from Cambridge, M.Sc (UMIST)	Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers.
List of outside Directorships held (Public Limited Companies)	1. Gujarat Sidhee Cement Limited 2. Agrima Consultants International Limited	1. Gujarat Sidhee Cement Limited. 2. Srei Equipment Finance Limited. 3. IDBI Capital Market and Security Limited.
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil	Member of Nomination & Remuneration Committee
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) Members Committee	Nil	Nil
Shares held by the Directors in the Company	Nil	Nil

61st AGM of Saurashtra Cement Limited
At Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)

ROUTE MAP FOR AGM





SAURASHTRA CEMENT LIMITED

(CIN : L26941GJ1956PLC000840)
 Registered Office: Near Railway Station, Ranavav 360560 (Gujarat)
 E-Mail: sclinvestorquery@mehtagroup.com; Website: www.saurashtracementlimited.com
 Phone: 02801-235001, 02801-304200 Fax : 02801-304376

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)			
Registered Address			
E-mail id			
Registered Folio No.			
DP-ID		Client ID	

I/We, being the member (s) of shares of the above named company, hereby appoint:

1.	Name:			Signature:	
	Address:				
	E-mail Id:				
or failing him / her					
2.	Name:			Signature:	
	Address:				
	E-mail Id:				
or failing him / her					
3.	Name:			Signature:	
	Address:				
	E-mail Id:				

as my/our proxy to vote for me/us on my/our behalf at the **61st Annual General Meeting** to be held on **Wednesday the 21st August, 2019** at **3.00 p.m.** at the Registered Office of the Company, Near Railway Station, Ranavav 360560 (Gujarat), and any adjournment thereof, in respect of such Resolutions as are indicated below:

Item No.	Resolutions	For	Against
	Ordinary Business		
1.	Adoption of the Audited Balance Sheet as at 31st March 2019, Audited Statement of Profit & Loss Account for the Financial Year ended 31st March 2019 and Directors' and Auditors' Report thereon.		
2.	Re-appointment of Mr. Hemnabh R. Khatau (DIN: 02390064), who retires by rotation.		
	Special Business		
3.	Ratification of Cost Auditors remuneration to be paid to M/s. V.J.Talati & Co, Cost Accountants for the Financial Year ending March 31, 2020.		
4.	Appointment of Mr. Ashwani Kumar (DIN: 02870681) as Independent Director of the Company for a period of 5 years w.e.f. 13/2/2019.		
5.	Approval for Continuation of holding of office by Mr. B. P. Deshmukh (DIN: 00002357) as a Non-Executive Independent Director of the Company.		
6.	Approval for Continuation of holding of office by Mr. Jayant Godbole (DIN: 00056830) as a Non-Executive Independent Director of the Company.		
7.	Approval under Section 188 of the Companies Act, 2013 for Related Party Transactions.		

Signature of Shareholder

Revenue
Stamp
of
₹ 1/-

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Date:

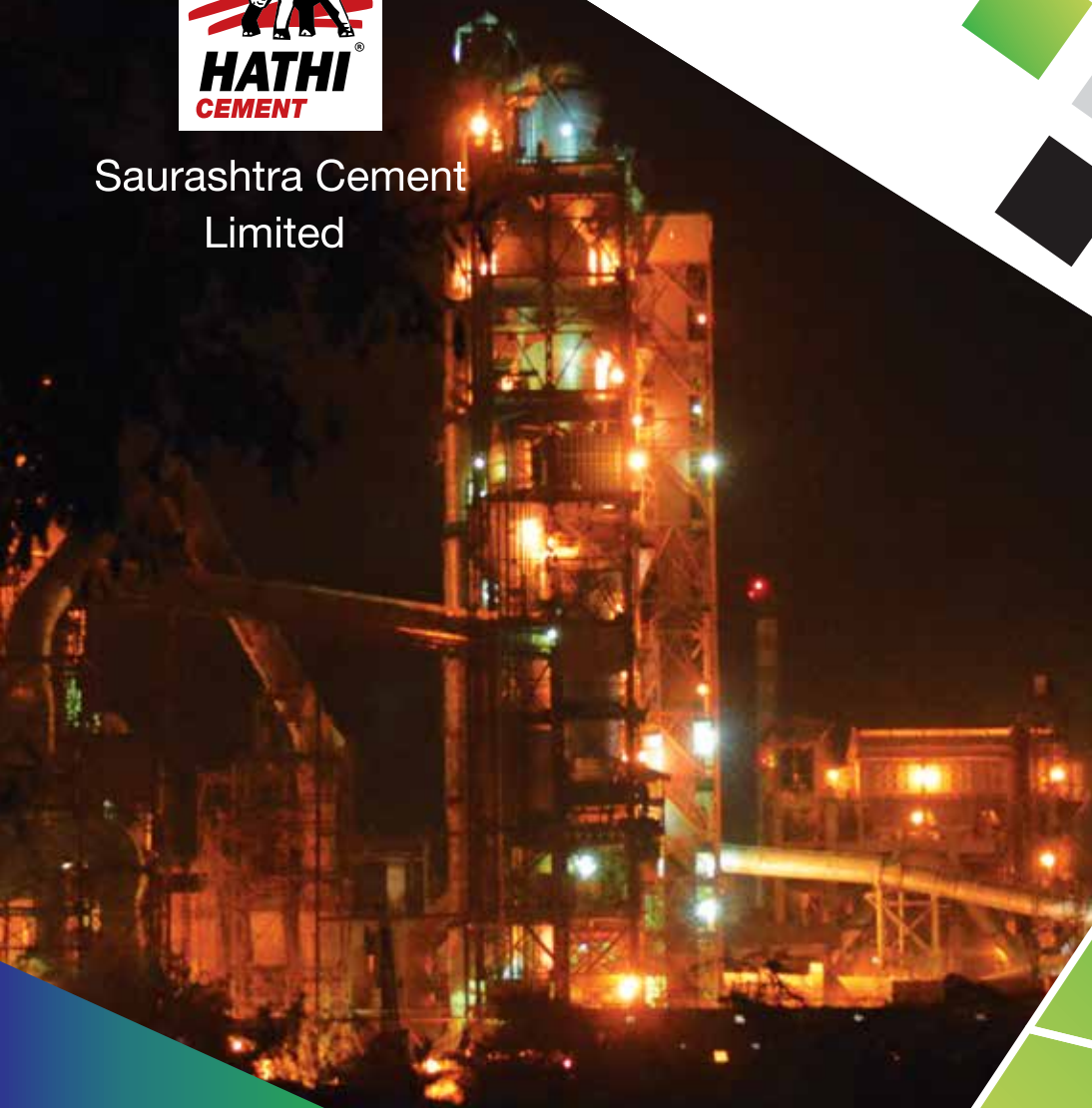
Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 61st Annual General Meeting.
- It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details of member(s) in above box before submission.





Saurashtra Cement
Limited



Annual Report 2018-2019

	Page Nos.
General Information	2
I Directors' Report	3
Annexure	
1. Management Discussion and Analysis Report (Annexure A)	10
2. Corporate Governance Report (Annexure B)	13
3. Other Annexures (Annexure C to K)	35
II Standalone	
1. Independent Auditors' Report on Standalone Financial Statements	46
2. Balance Sheet	54
3. Statement of Profit & Loss	55
4. Statement of Changes in Equity	56
5. Statement of Cash Flows	57
6. Notes forming part of Financial Statements	59
III Consolidated	
1. Independent Auditors' Report on Consolidated Financial Statements	99
2. Balance Sheet	104
3. Statement of Profit & Loss	105
4. Statement of Changes in Equity	106
5. Statement of Cash Flows	107
6. Notes forming part of Financial Statements	109
Form AOC-1	148

GENERAL INFORMATION

BOARD OF DIRECTORS

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

Chief Financial Officer

Mr. Rakesh H. Mehta

Sr. Vice President (Legal) & Company Secretary

Ms. Sonali Sanas

Bankers

Central Bank of India
Bank of Baroda
HDFC Bank Ltd.

Auditors

M/s. Manubhai & Shah LLP
Chartered Accountants

Registered Office & Works

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

Corporate Office

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

Registrars & Transfer Agent:

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

Website: www.saurashtracementlimited.com



DIRECTORS' REPORT

Dear Members,

The Directors present the 61st Annual Report, Audited Accounts and Auditors Report for the Financial Year ended on the 31st of March, 2019.

FINANCIAL HIGHLIGHTS

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

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current Financial Year 2018-2019	Previous Financial Year 2017-2018	Current Financial Year 2018-2019	Previous Financial Year 2017-2018
Revenue from Operation (Net of Excise) and Other Income	6300.31	5,913.25	6300.81	5,913.63
Profit / (Loss) before Interest, Depreciation, Exceptional items and Tax	131.52	676.61	131.02	676.17
Finance Cost	47.43	34.19	47.43	34.19
Profit/(Loss) before Depreciation, Exceptional Items and Tax	84.09	642.42	83.59	641.98
Depreciation & Impairment	183.35	177.43	183.35	177.43
Exceptional Items – Profit on sale of land	31.97	-	31.97	-
Profit/(Loss) before Tax	(67.29)	464.99	(67.79)	464.55
Current Tax Expense	2.05	102.19	2.03	102.19
Deferred Tax Adjustment	(20.61)	(262.27)	(20.61)	(262.27)
Profit/(Loss) for the year	(48.73)	625.07	(49.21)	624.63
Total Other Comprehensive Income (net of tax)	(11.69)	(0.56)	(11.69)	(0.56)
Total Comprehensive Income	(60.42)	624.51	(60.90)	624.07
Retained Earnings – Opening Balance	1,792.33	1,250.64	1,781.71	1,240.46
Add/(Less)				
Profit/(Loss) for the Year	(48.73)	625.07	(49.21)	624.63
Remeasurement of Defined Benefit Plans (Net of Tax)	(3.46)	(0.10)	(3.46)	(0.10)
Less : Equity Dividend & Dividend Distribution Tax thereon	83.41	83.28	83.41	83.28
Retained Earnings – Closing Balance	1,656.73	1,792.33	1,645.63	1,781.71

THE YEAR UNDER REVIEW

India is the second largest producer of cement in the world with an installed capacity of about 502 Million Tonnes Per Annum (MTPA) of cement production as at March 2019. During the Financial Year 2018-19, the cement production grew by 13 per cent to about 337 Million Tons resulting in capacity utilization of about 68 per cent. The consumption growth in the company's primary market Gujarat was about 9 per cent.

The growth in cement consumption is largely driven by the growth in housing sector, particularly rural and affordable housing coupled with the Government's thrust on infrastructure. The GST Council has reduced the GST rates for under-construction flats and affordable housing in March 2019, to five per cent and one per cent, respectively and also increased the carpet area of flats under affordable housing. RBI has reduced the Repo Rate by 50 basis points since December 2018, which will soften the interest rates on home loans and commercial borrowings. These factors coupled with Interest subsidy on home loans for affordable housing are expected to stimulate the housing demand further.

The financial year under review witnessed a substantial increase in the cost of energy (coal, pet coke and power) and petroleum fuels and restrictions on use of pet coke for power and as fuel in cement plants.

The Government, through Central and State Pollution Control Boards, has initiated measures for the use of Alternative Fuels and Raw Materials (AFR) in cement plants which help in reducing the fuel cost and also utilize the waste / hazardous materials thereby helping in maintaining ecological balance.

PERFORMANCE REVIEW

Production and Despatches

Your Company continued to operate at over 100% capacity utilization. The production of clinker for the year ended March 2019 was 1.31 million tonnes, around 6.4 percent higher than the clinker production of 1.23 million tonnes in the year ended March 2018. The cement production for the financial year ended March 2019 was 1.49 million tonnes, around 6.2 percent higher than the cement production of 1.40 million tonnes in the previous financial year.

The overall despatches of cement and clinker during the year ended March 2019 were 1.54 million tones, around 7 percent higher than the overall despatches of 1.44 million tonnes in the previous year ended March 2018.

The operating efficiencies of the plant improved resulting in lower specific power and fuel consumption. The specific power consumption was lower by about 3.5 kwh/Ton of cement.

Thermal Power cost and Fuel Cost were adversely affected on account of steep increases in the cost of coal and pet coke. The increase in the diesel prices resulted in increase in the logistics costs for both inbound materials and outbound finished goods.

Your company makes conscious efforts towards sustainable development through various energy conservation measures reduced carbon emissions by substituting clinker by fly ash and slag, use of Alternative Fuels and Raw Materials and afforestation measures. Your company has also initiated measures for lower emissions and water conservation.

Marketing and Exports

Your Company's major sales volumes are from its primary market, Gujarat. Your Company increased its sales in Gujarat by about 8 per cent. Due to the large surplus in the region, your Company continues to maintain its presence in coastal regions of Maharashtra and Kerala. However, the profitability of these markets remains low on account of high cost of transport and non-availability of adequate public infrastructure.

Your Company also exported about 0.08 Million Tons of cement during the financial year under consideration.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIVIDEND

In view of inadequacy of profits, your Directors do not recommend any dividend for the Financial Year ended 31st of March 2019.

SHARE CAPITAL

Equity Share Capital

The paid up Equity Share Capital of the Company as on 1st April 2018 was ₹ 693.37 million. The paid up Equity Share Capital of the Company as on 31st March 2019 including the forfeited shares was ₹ 693.40 million. During the year under review, 1,46,249 Equity Shares of ₹ 10/- each were allotted to the employees in accordance with Employee Stock Option Scheme 2017.

Financial Statements

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

The Consolidated Net Loss of the Company amounted to ₹ 49.21 million for the Financial year ended 31st of March 2019.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has five wholly owned subsidiary companies. Out of these five subsidiaries, four companies namely Pranay Holdings Limited, Prachit Holdings Limited, Ria Holdings Limited and Reeti Investments Private Limited had filed Petition with National Company Law Tribunal (NCLT) for amalgamation with the Company. The Petition was heard and the NCLT Bench pronounced the final order on 2nd May 2019 approving the Scheme of Amalgamation. Accordingly these four companies have been merged with the Company effective from 1st April 2018 being the Appointed Date under the Approved Scheme.

Agrima Consultants International Limited continues to remain a subsidiary of your Company. Section 136 of the Companies Act 2013 has exempted the listed companies from attaching the financial statements of the Subsidiary companies to the Annual Report of the Company.



In accordance with Section 129(3) of the Companies Act 2013 read with the rules made there under; statements containing the salient features of the Financial Statements of the Subsidiary Company 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 on the website of the Company at <http://scl.mehtagroup.com/investors/financials>.

Directors' Responsibility Statement

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

- (a) that in the preparation of the annual financial statements for the year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- (b) that the accounting policies as mentioned in Note No.1 (B) to the Financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) that the systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

Corporate Governance

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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.

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company endeavours to create long term benefits for the community around its operations through continuous efforts of social upliftment. In constant pursuit of making life better for communities, your Company is constantly involved in various programmes / CSR activities like:-

1. Promotion of education, particularly for girls.
2. Rural development projects.
3. Environmental & Health related projects.

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, which is available at the following link: <http://scl.mehtagroup.com/policy/csr-policy>.

The key philosophy of the CSR initiative of your Company is to promote development through social and economic transformation.

During the year under review, your Company has undertaken projects relating to promoting education for better life, rural development, environmental and healthcare.

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

The details of various CSR activities undertaken during Financial Year 2018-19 are discussed in detail in The Management Discussion and Analysis report.

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

LOANS, GUARANTEES AND INVESTMENTS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Directors

Mr. Ashwani Kumar (DIN: 02870681) was appointed as Additional Director (Independent) w.e.f. 13.2.2019 for a period of 5 years subject to his appointment as a director at the ensuing Annual General Meeting of the Company.

Mr. B. P. Deshmukh (DIN: 00002357) was re-appointed as Independent Directors for another term of 5 consecutive years from 1.4.2019 to 31.3.2024 at the Annual General Meeting held on 14th August, 2018. Mr. Deshmukh is attaining the age of 75 years on 15th July 2019 and the continuation of his office as Directors from 16th July 2019 will be subject to the Member's approval at the ensuing Annual General Meeting of the company by way of special resolutions.

Mr. Jayant N. Godbole (DIN: 00056830) was re-appointed as Independent Directors for another term of 5 Consecutive years from 1-4-2019 to 31-3-2024 at the Annual General Meeting held on 14th August, 2018. Mr. Godbole is attaining the age of 75 years on 17th February 2020 and the Continuation of his office as Director from 18th February 2020 will be subject to the member's approval at the ensuing Annual General Meeting of the Company by way of Special Resolution.

The Board recommends the appointment.

Reappointment of Director

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

The Board recommends the re-appointment.

Cessation of Director

- i) Mr. P. K. Behl (DIN: 00653859), Independent Director ceased to be the Director of the Company with effect from 8.3.2019 under Section 164(2) read along with Section 167 (1) of the Companies Act, 2013.
- ii) Mr. S. V. S. Raghavan (DIN: 00111019), Independent Director has resigned as Director of the Company with effect from 25.5.2019 (closure of business hours) due to age related health issues.

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

Appointment / Change in Key Managerial Personnel:

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



Disclosure pertaining to disqualification of Directors:

In accordance with the SEBI (LODR) (Amendment) Regulations, 2018; a certificate has been received from M/s Ragini Chokshi & Co. Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as **Annexure F**.

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

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors has put in place a mechanism for evaluation of its performance, Committee's and Individual Directors. The evaluation process considers attendance of Directors at the Board and Committee meetings, participation at the meetings, domain knowledge in the Board Meeting, awareness and observation of Governance etc. Accordingly, evaluation sheet gets circulated to each and every Board member and the Board carry out annual performance evaluation of the entire Board, Individual Directors including Chairman. The responses being received were evaluated by the Board.

Declaration by Independent directors

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 read along with SEBI (LODR) Regulations, 2015.

AUDITORS

Statutory Auditors

At the 60th Annual General Meeting held on 14th August, 2018, the shareholders had approved the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W / W100136) as Statutory Auditors of the Company, to audit the accounts of the Company upto the Financial Year 2021-22, who shall hold office from the conclusion of the 60th Annual General Meeting till the conclusion of 64th Annual General Meeting at such remuneration as may be decided by the Board in consultation with the auditors from time to time. Pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective 7th May 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

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

Secretarial Auditors

M/s Ragini Chokshi & Co, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2018-19. The report of the Secretarial Auditor is annexed as **Annexure G** to this report. The report does not contain any qualification, reservation nor adverse remarks.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2019-20.

Tax Auditors

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

Internal Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s Haribhakti & Co., LLP, Chartered Accountants, to carry out the Internal Audit of the Company for the Financial Year 2019-20.

Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act 2013, on the recommendation of Audit Committee, M/s. V. J. Talati & Co, Cost Accountants, have been appointed by the Board as Cost Auditors of the Company for the Financial Year 2019-20 and a certificate of eligibility under Section 148 of the Companies Act, 2013 has been received.

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

Cost Records

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

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

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

Nomination & Remuneration Committee and Policy

The Company has a Nomination & Remuneration Committee and has also adopted Nomination & Remuneration Charter and Remuneration/ Compensation Policy. The constitution of the Committee along with the terms of reference to the Committee is set out in the Corporate Governance Report. The Nomination and Remuneration Charter and Compensation Policy is available at the following links: <http://scl.mehtagroup.com/policy/nomination-and-remuneration-charter> and <http://scl.mehtagroup.com/policy/compensation-policy>

Vigil Mechanism

The Company has established a Vigil Mechanism / Whistle Blower Policy and the Directors and employees of the Company can approach the Audit Committee when they suspect or observe unethical practices, malpractices, non-compliances of company policies, etc. The Whistle Blower Policy has been posted on the website Company at the following link: <http://scl.mehtagroup.com/policy/whistle-blower-policy>

Number of Board Meetings

During the financial year under review, four Board Meetings were held. The meetings 24th day of May 2018, 14th day of August 2018, 1st day of November 2018 and 13th day of February 2019.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

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

Significant / Material orders based by the regulators

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

Annual Return

Pursuant to Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return in Form MGT-7 is available on the website of the Company at the following link: <http://scl.mehtagroup.com/investors/annualreturn>.

Particulars of Employees

There were 417 permanent employees of the company as on 31st March 2019. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure I**.

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

Employee Stock Option Scheme (ESOP)

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

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

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

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

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



Other Disclosures:

1. Secretarial Compliance Report

The Secretarial Compliance Report provided for the year ended 31st March 2019 from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed hereto as **Annexure K**.

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

- ✓ Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- ✓ Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ✓ The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- ✓ The Managing Directors of the company do not receive any remuneration or commission from any of its subsidiaries.
- ✓ No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- ✓ There was no revision in the financial statements.
- ✓ There was no change in the nature of business.

GENERAL

Transfer of Shares

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

Listing of Equity Shares

The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE). Listing fees have been paid up to 31st March 2020.

Staff Relations

Industrial relations at our Factory and Offices have remained cordial.

Secretarial Standards

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

Acknowledgement

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

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

On behalf of the Board of Directors

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

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

Place: Mumbai

Dated: 25th May, 2019

ANNEXURE - A**MANAGEMENT DISCUSSION AND ANALYSIS REPORT*****Cement Industry and Outlook***

India has become the 7th largest economy in the world and has emerged as the fastest growing major economy in the world with GDP growth of about 7% during FY 2018-19. India is also emerging as the third largest startup base in the world. India contributes 3.17% of the total world's GDP. On the basis of Purchasing Power Parity (PPP), India is the 3rd largest economy after the USA and China and contributes about 7.7% to the world's GDP on PPP basis.

India is second largest producer of cement in the world. India's cement industry is vital part of its economy being the 5th largest contributor to the exchequer and providing direct and indirect employment to about 20,000 people downstream per million Tons. The housing sector is the biggest demand driver, accounting for about 65% of total consumption in India. The other major consumers of cement include Infrastructure at 20-25% and Industrial development at 10-15%.

The Indian cement industry has installed cement capacity of about 502 million Tons with production during the year of about 337 million Tons registering a capacity utilization of around 68%. The Country's per Capita consumption is estimated at about 210 kg, which is much lower than the world average of about 580 kg and 300-450 kg in other developing countries.

The cement industry is fragmented with 94 Major companies having 260 large plants of which 98% are in the private sector. The consolidation in the Indian cement industry continues with top 8 companies accounting for about 60% of the installed capacity and top 20 companies accounting for over 70% of the capacity. 55% of the capacity is concentrated in the South and North regions.

The cement prices remained under pressure during major part of the year due to large surplus capacity resulting in lower price realizations and low capacity utilisation. The situation was further compounded by a steep increase in the cost of energy and fuel – power, coal, pet coke and diesel. Restrictions on the use of Pet Coke further increased the energy costs.

The cement market in the state of Gujarat remains fragmented with surplus capacity available in the states of Gujarat and Rajasthan. The export volume remained low due to lower price realisations.

The housing and real estate segment received impetus from housing for all / Pradhan Mantri Awas Yojana initiative in rural areas and Affordable Housing in urban areas. The reduction in the GST on housing and lowering of interest rates on home loans coupled with initiatives for development of 100 smart cities across the country will further drive the demand for housing.

Infrastructure segment received a boost with increased Government spending on infrastructure projects under Bharatmala and Sagarmala for roads and dedicated freight corridors for railways. The Government has also decided to adopt cement instead of bitumen for the construction of new road projects. Metro rail projects in most major cities, Bullet train project and development of ports will further provide impetus to the cement demand in the long run.

Considering the surplus available capacity, India could emerge a major exporter of clinker and gray cement in the Asian region. Since the cement plants in Gujarat have proximity to ports, they would have competitive advantage as compared to cement plants in the interior of the country.

Opportunities & Threats

The long term outlook for the Indian Cement Industry, considering the Government's initiatives in the areas of housing and infrastructure development, is optimistic and positive. Rationalisation of GST on housing is also likely to improve housing demand.

The steps being taken by the cement companies to improve efficiencies, use alternate fuels and raw materials and use of clean energy will further improve the competitive advantage and reduce costs and emissions. However the volatility in the cement prices on account of the large supply overhang is affecting the profitability of the companies, which in turn is expected to affect the industry growth. Further, older plants with less energy efficient process and machinery are like to experience fierce competition in the market places.

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

Performance Analysis :

During the Financial Year ended 31st March 2019, your Company incurred a net loss of ₹ 48.73 million as against net profit of ₹ 625.07 million in the previous financial year. The adverse profitability was mainly on account of the lower price realisations prevailing in the market and steep increase in the costs of coal, pet coke, diesel for transportation and effect of inflation on fixed costs.

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



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

Ratio	Current FY 2018-19	Previous FY 2017-18	Variance, %	Reason for Variance
Debtors Turnover - Days	10.21	10.64	-4%	
Inventory Turnover - Days	39.57	36.48	8%	
Interest Coverage Ratio	5.44	34.36	-84%	Adverse Profitability
Current Ratio	1.05	1.23	-14%	Increase in Trade Payables
Debt Equity Ratio	0.078	0.041	90%	Increase in utilization of overdraft against Fixed Deposit
Operating Profit Margin (%)	2.1%	11.8%	-82%	Lower Price realizations and higher costs
Net Profit Margin (%)	-0.8%	10.9%	-107%	Lower Price realizations and higher costs

The Return on Net Worth of your Company for the FY 2018-19 was -1% as against 15% in the Previous Financial Year. The reason for the adverse change in the ratio was losses incurred by your Company in the Current Financial Year on account of adverse market conditions and increase in costs, particularly energy costs.

Risks and Concerns

- I. The Indian Cement Industry is becoming intensely competitive, with addition of new entrants and expansion by existing entities. There already exists a large supply overhang, which could potentially impact the sales volumes, market share, price realisations and profitability. On the other hand Large Indian players as well as MNCs are growing inorganically through mergers and acquisitions. These consolidations will reduce number of competitors in different markets. Your company is mitigating the competition risk through concentrated efforts on sales promotion, increasing brand loyalty and awareness and is able to utilize its entire capacity as against Average Industry Capacity Utilisation of about 68%.
- II. Increase in cost of raw materials, energy, consumables and logistics costs, without a corresponding increase in the price realizations due to excess supply, may affect the profitability scenario in cement sector. The increase in costs may be difficult to pass on to the customers when the prices are under pressure due to the excess capacity. Your company is mitigating this risk by improving operating efficiencies and optimizing costs through use of blended materials, purchasing major input materials by competitive bidding and online auctions and using substitute materials.
- III. Restrictions on sources of raw materials / fuels imposed on account of changes in laws / regulations (including extension of certain mining leases under Mines and Minerals (Development and Regulation) Act 2015, restrictions on mining in proximity to Forest and Wild Life Sanctuaries, use of pet coke as fuel etc) could make it more difficult to optimize the cost of inputs. Your Company has taken initiatives to mitigate this risk through periodic review and identification of alternative fuels and raw material sources.

Internal Control Systems and their adequacy

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

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

Human Resource Development / Industrial Relations

Your company believes that the employees are at the core of its success as we consider them as our most valuable assets. The Company continues to invest in upgrading the knowledge and skills of the employees through various learning and development initiatives.

In order to enhance Managerial Capabilities, we have been providing continual training to internal talent and building a talent pool for future roles. Learning at one's own pace, time and convenience was initiated through pilot project on cost effective e-learning system which was received well by the employees.

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

We continued with a project "talk to me" which is providing insight in to employees connect with the organization, their expectation and aspirations. This is helping us in revitalizing company policies, practices and employee engagement.

The Industrial relations at the plant have remained amicable.

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

As on 31.03.2019, the Company had employed 417 permanent employees.

Corporate Social Responsibility:

Your company has focused on helping the society through various initiatives under Corporate Social Responsibility. It firmly believes in giving back to the society in every possible way. Your Company strives to positively impact the lives of the communities around its areas of operation, minimize impact on the environment and address concerns of communities in a mutually beneficial manner.

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

Health & Safety

Your company believes firmly that the employees will be highly productive only if they are physically and mentally fit. It has been our priority that we help them keep it at its best. The company serves this purpose through its own medical center with full time medical officer and para medical staff. The factory health center caters the medical services to not only employees and their family members but also the surrounding needy people. The periodical medical checkup for all employees & the executive health checkup plan help them timely assistance, guidance for proper health.

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

Addressing the need for transportation of patients your Company provides an ambulance services for use of public of surrounding areas.

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

Your company also provides free medical facilities to the nearby local communities.

Education

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

Sanitation

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

Environment Initiatives

In spite of scanty rains in the area for the last three years, your Company's management continued its commitment to environment and afforestation. A green belt has been developed and maintained in the of plant area and surrounding. Your company attained its objective of planting more than one lakh plus trees in the last decade and the survival rate of more than 80%. The team showed commendable efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. The Statements are based on certain assumptions and 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

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

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

Place: Mumbai
Dated: 25th May, 2019



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

1.1 GOVERNANCE STRUCTURE:

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

(a) Board of Directors:

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

(b) Committees of Board:

With a view to have better transparency in various areas of the business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship & Grievances Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Allotment Committee. These Committees undertake the functions, roles and responsibilities as provided herewith.

(c) Executive Management:

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

2. BOARD OF DIRECTORS:

(i) Composition (as on 31.3.2019)

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

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

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

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

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

2.1 Profile of Directors:

The brief profile of each Director is given below:

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

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

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

Further, consent of the Members was accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, 2015 at the Annual General Meeting held on 14th August 2018 for continuation of holding of office by Mr. Mehta as a Non-Executive Chairman who has attained the age of 75 years.

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

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

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

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

Mr. Hemang D. Mehta, aged 64 years, has graduated from the University of Manchester Institute of Science & Technology (UMIST) U.K., now referred to as the Manchester Business School. He is an industrialist having over 30 years of Corporate and Operational Management experience in the Cement industry and in Plastics & Packaging. He had worked in various countries like India, Kenya, Canada and USA. He is also a Director of various private companies in India, Canada and USA.

Initially, he joined the Board in April 1993 and was reappointed in current term on 14.8.2018.

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

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

He joined the Board in October, 2008 and was reappointed in current term on 26.7.2017. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

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

Originally, he joined the Board in February 1997 and was reappointed as Independent Director at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024.

Further, consent of the Members was also accorded as per Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, 2015 at the Annual General Meeting held on 14th August 2018 for continuation of holding of office by Mr. Raghavan as a Non-Executive Independent Director who has attained the age of 75 years.

Mr. S.V.S. Raghavan, Independent Director has submitted his resignation from the Board w.e.f. 25-5-2019 (Closure of business hours) due to age related health issues and accordingly ceased to be the Member of Audit Committee and Chairman of Nomination and Remuneration Committee.

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

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

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

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations, the Annual General Meeting held on 14th August 2018 for continuation of holding of office by Mr. Rao as a Non-Executive Independent Director who has attained the age of 75 years.

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

Mr. B.P. Deshmukh, aged 75 years, has done M. Com., LL.B., FCS. He has rich experience in finance. He is on the Board of EMI Transmission Ltd. He is a Member of the Allotment Committee of the Board.

He joined the Board in October, 2004. He was reappointed as Independent Director at the Annual General Meeting held on 14.8.2018 for another term of five consecutive years with effect from 1.4.2019 to 31.3.2024 and for continuation from 15.7.2019 in accordance with Regulation 17(1A) of SEBI (LODR) (AMENDMENT) Regulations 2018 will be subject to the approval of the Shareholders at the ensuing Annual General Meeting.

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

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

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

Further, consent of the Members was also accorded as per the Regulation 17(1) (2)(1A) of SEBI (LODR) Regulations 2015 at the Annual General Meeting held on 14th August 2018 for continuation of holding of office by Mr. Bhandari as a Non-Executive Independent Director who has attained the age of 75 years.

The Board at its meeting held on 25th May 2019 appointed Mr. K .N. Bhandari as Chairman of Nomination and Remuneration Committee in place of Mr. S. V. S. Raghavan.

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

Mr. Jayant N. Godbole, aged 74 years, is a B.Tech (Hons), IIT (Mumbai) and holds Certificate of Financial Management from Jamnalal Bajaj Institute of Management Studies. At the time of retirement, he was performing functions of Chairman & Managing Director of IDBI. He has vast knowledge and enriched experience in Finance. He is also on the Board of several public listed companies. He is a Member of Corporate Social Responsibility (CSR) Committee of the Board.

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

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

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

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

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

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

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

The Board at its meeting held on 25th May 2019 inducted Mrs. Bhagyam Ramani as member of Audit Committee in place of Mr. S. V. S. Raghavan.

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

Mr. Ashwani Kumar, aged 61 years, is a Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers. A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years serving in Allahabad Bank, Corporation Bank and Dena Bank both at operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank. He is also on the Board of other companies including Gujarat Sidhee Cement Limited.

He joined the Board with effect from 13.2.2019 and he shall hold office upto the date of the ensuing Annual General Meeting. He is eligible for re-appointment upto a period of 5 years from the date of appointment as Additional Director.

The Board at its meeting held on 25th May 2019 inducted Mr. Ashwani Kumar as member of Nomination and Remuneration Committee.

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

Mr. M.S. Gilotra, aged 69 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of around 5 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management. Mr. Gilotra is in charge of day-to-day operations of the Company and has substantial power of management. He is also the Managing Director of Gujarat Sidhee Cement Limited. He is a Member of Audit Committee, Stakeholders Relationships & Grievances Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board.

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

2.2 APPOINTMENT OF DIRECTOR:

Mr. Ashwani Kumar DIN: (02870681) was appointed as Additional Director (Independent) w.e.f. 13.2.2019 for a period of 5 years. He is eligible for reappointment at the ensuing Annual General Meeting.

Re-appointment of Director :

Mr. Hemnabh R. Khatau (DIN: 02390064) Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

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

2.3 CESSATION OF DIRECTOR:

- (i) Mr. P. K. Behl (DIN: 00653859), Independent Director ceased to be the Director of the Company with effect from 8.3.2019 under Section 164(2) read along with Section 167 of the Companies Act, 2013.
- (ii) Mr. S. V. S. Raghavan (DIN: 00111019) has resigned as Director of the Company with effect from 25.5.2019 (closure of business hours) due to age related health issues. Resignation letter received from Mr. Raghavan is uploaded on the website of the Company at the following link: <http://scl.mehtagroup.com/investors/share-holder-information/resignation-of-director>



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

During the financial year under review, four Board Meetings were held. The meetings were held on the 24th day of May 2018, 14th day of August 2018, 1st day of November 2018 and 13th day of February 2019. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on the 14th day of August 2018. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relationships	No. of Shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	4	Yes	Father of Mr. Jay Mehta	28480
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	4	Yes	Son of Mr. M. N. Mehta	14630
3.	Mr. Hemang D. Mehta	Non-Executive, Non-Independent	4	Yes	-	51534
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	4	Yes	-	-
5.	Mr. S.V.S. Raghavan	Non-Executive, Independent	2	No	-	-
6.	Mr. M.N.Rao	Non-Executive, Independent	4	Yes	-	-
7.	Mr. B.P. Deshmukh	Non-Executive, Independent	4	Yes	-	-
8.	Mr. K. N. Bhandari	Non-Executive, Independent	4	Yes	-	-
9.	Mr. Jayant N. Godbole	Non-Executive, Independent	2	Yes	-	-
10.	Mr. Bimal R. Thakkar	Non-Executive, Independent	4	Yes	-	-
11.	Mr. P. K. Behl (Ceased to be the Director w.e.f. 8.3.2019)	Non-Executive, Independent	4	Yes	-	-
12.	Mrs. Bhagyam Ramani	Non-Executive, Independent	4	Yes	-	-
13.	Mr. Ashwani Kumar (Appointed as Independent Director w.e.f. 13.2.2019)	Non-Executive, Independent	1	No	-	-
14.	Mr. M.S. Gilotra	Managing Director, Non-Independent	4	Yes	-	40,000*

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

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

Agenda:

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

Invitees & Proceedings:

Apart from the Board members, the Company Secretary and CFO also attend all the Board & Committee Meetings. Other senior management executives of the Company / associate company are also invited to provide inputs for the items being discussed by the

Board. The Managing Director and CFO makes presentation on the quarterly and annual operating and financial performance and on annual budget. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

2.5 Other Directorships

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

The details of the Directorships and Committee memberships in other Companies (excluding Private Limited Companies & Foreign Companies) held by the Directors as on 31st March 2019 are given below:

Sr. No	Name of the Director	Other Directorships*	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
1.	Mr. M. N. Mehta Chairman, Non-Executive, Non-Independent	6	-	-	Gujarat Sidhee Cement Limited	Chairman, Non-Executive, Non-Independent
2.	Mr. Jay Mehta Executive Vice Chairman, Non-Independent	7	-	1	1. Gujarat Sidhee Cement Limited 2. ADF Foods Limited	Executive Vice Chairman, Non-Independent Non-Executive, Independent Director
3.	Mr. Hemang D. Mehta Non-Executive, Non-Independent	-	-	-	-	-
4.	Mr. Hemnabh Khatau Non-Executive, Non-Independent	6	-	-	Gujarat Sidhee Cement Limited	Non-Executive, Non-Independent Director
5.	Mr. S.V.S.Raghavan Non-Executive, Independent	1	1	-	Gujarat Sidhee Cement Limited	Non-Executive, Independent Director
6.	Mr. M. N. Rao Non-Executive, Independent	1	-	2	Gujarat Sidhee Cement Limited	Non-Executive, Independent Director
7.	Mr. B.P.Deshmukh Non-Executive, Independent	-	-	-	-	-
8.	Mr. K. N. Bhandari Non-Executive, Independent	9	5	5	1. Shristi Infrastructure Development Corporation Limited 2. Andhra Cements Limited 3. Gujarat Sidhee Cement Limited 4. Hindalco Industries Limited 5. Jaiprakash Powers Ventures Limited 6. Jaiprakash Associates Limited	Non-Executive, Independent Director

Sr. No	Name of the Director	Other Directorships*	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
9.	Mr. Jayant N. Godbole Non-Executive, Independent	7	3	6	1. J K Cement Limited 2. Emami Paper Mills Limited 3. Gujarat Alkalies and Chemicals Limited 4. Kesar Terminals & Infrastructure Limited 5. Zuari Agro Chemicals Limited 6. Zuari Global Limited	Non-Executive, Independent Director
10.	Mr. Bimal Thakkar Non-Executive, Independent	3	-	3	1. Gujarat Sidhee Cement Limited 2. ADF Foods Limited	Non-Executive, Independent Director Executive Director, Managing Director
11.	Mrs. Bhagyam Ramani Non-Executive, Independent	6	-	6	1. Capri Global Capital Limited 2. Gujarat Sidhee Cement Limited 3. Lloyds metals and Energy Limited	Non-Executive, Independent Director
12.	Mr. Ashwani Kumar (appointed as Independent Director w.e.f. 13.2.2019)	1	-	-	Gujarat Sidhee Cement Limited	Non-Executive, Independent Director
13.	Mr. M.S. Gilotra Managing Director, Non-Independent	1	-	2	Gujarat Sidhee Cement Limited	Executive Director, Managing Director

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

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

2.6 INDEPENDENT DIRECTORS:

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their re-appointment has been approved by the Members of the Company at the Annual General Meeting held on 14th August 2018. None of the Independent Directors serve as "Independent Directors" in more than seven listed companies. The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and SEBI (LODR) Regulations, 2015 and as amended from time to time.

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

2.7 FAMILIARIZATION PROGRAMME FOR THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

In accordance with the requirements of SEBI (LODR) Regulations, 2015, the familiarization programme is conducted by the Company for the Independent Directors and number of hours spent and other details is uploaded on the website of the Company at the following link - <http://scl.mehtagroup.com/announcements/familiarization-program-for-independent-directors-for-calendar-year-2019>.

2.8 ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

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

- 2.9** As per the amended regulations of SEBI (LODR) Regulations, 2015, the Board is required to review the core skills / expertise / competencies identified by the Board as required in the context of its business & sectors to function effectively. The matrix in this regard as provided in the LODR amended Regulation 2018 is given below:

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

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

3. AUDIT COMMITTEE:

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

The Audit Committee of the Board comprises of four members viz. Mr. M.N.Rao, Mr. S.V.S. Raghavan, Mr. K. N. Bhandari and Mr. M.S. Gilotra. Mr. P. K. Behl was appointed as Member of the Committee w.e.f. 1.11.2018 and ceased to be the Member w.e.f. 8.3.2019. Mr. M. N. Rao is the Chairman of the Audit Committee and was present at the last AGM.

During the year under review, four meetings of Audit Committee were held. The meetings were held on 24th day of May 2018, 14th day of August 2018, 1st day of November 2018 and 13th day of February 2019. Partners/Representative from Internal Auditors and Statutory Auditors also attended the meetings. Details of Audit Committee Meetings attended by the Audit Committee Members are given below:

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended.
1.	Mr. M. N. Rao , Chairman	4	4
2.	Mr. S.V.S. Raghavan, Member [®]	4	2
3.	Mr. K. N. Bhandari, Member	4	4
4.	Mr. P. K. Behl, Member *	1	1
5.	Mr. M. S. Gilotra, Member	4	4

* Mr. P. K. Behl, ceased to be the Member of Audit Committee w.e.f. 8.3.2019. During the tenure of Mr. Behl, one meeting was held as he was member for 4 months and 7 days.

[®] Mr. S.V.S. Raghavan ceased to be the Member of Audit Committee w.e.f. 25.5.2019 (Closure of Business hours)

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

Terms of reference of Audit Committee:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommend the appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approve payment to Statutory Auditors for any other services rendered by them.
4. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of the Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. Review, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approve transactions of the Company with related parties and any subsequent modification;
9. Scrutinize inter-corporate loans and investments;
10. Consider Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate internal financial controls and risk management systems;
12. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discuss with Internal Auditors of any significant findings and follow up there on;
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the Whistle Blower / Vigil Mechanism;
19. Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Review the utilization of loans and / or advances from / investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
21. To review the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).
22. Carry any other function as is mentioned in the terms of reference of the Audit Committee;

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

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

During the year under review, the Committee had one meeting. The meeting was held on 24th day of May 2018. Details of CSR Committee Meeting attended by the Members are given below:

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

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

Terms of Reference of the Committee are as follows:

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

5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of four directors viz. Mr. S. V. S. Raghavan, Mr. M. N. Rao, Mr. K. N. Bhandari and Mr. Bimal Thakkar. Mr. P. K. Behl was appointed as Member of the Committee w.e.f. 13.2.2019 and ceased to be the Member w.e.f. 8.3.2019. Mr. S.V.S. Raghavan is the Chairman of the Committee.

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

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

Sr. No.	Members of Nomination & Remuneration Committee	No. of meetings held	No. of meetings attended.
1.	Mr. S.V.S. Raghavan (Chairman) [®]	1	1
2.	Mr. M.N. Rao (Member)	1	1
3.	Mr. Bimal Thakkar (Member)	1	1
4.	Mr. K. N. Bhandari (Member) [#]	1	1
5.	Mr. P. K. Behl (Members) [*]	-	-

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

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

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



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

Terms of Reference of the Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulate of criteria for evaluation of Independent directors and the Board;
3. Devise a policy on Board diversity;
4. Identify persons who are qualified to become directors and also such persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management

Remuneration/Compensation Policy:

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

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

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

Details of Remuneration of Directors paid for the Financial Year 2018-19:

Executive Directors:

(₹ in Lakhs)

Name	Salary & Allowances	Perquisites	Contribution to Superannuation (Taxable)	Performance linked Incentives	Total	Exempt Benefits		Total	ESOP Granted/ Vested/ Exercised/ Allotted
						Contribution to PF	Contribution to Superannuation		
Mr. Jay M Mehta, Executive Vice Chairman	276.52	-	21.37	-	297.89	18.30	1.50	317.69	
Mr. M.S. Gilotra, Managing Director	231.66	11.87	16.03	-	259.56	14.19	1.50	275.25	Granted - 345955 Vested - 114165 Exercised and Allotted - 40000 shares

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

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

Non Executive Directors:

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

Sr. No.	Name of the Directors	No. of Board meeting attended	No. of Committee meetings attended	Total	Amount of Sitting fees paid (₹)
1.	Mr. M. N.Mehta (Chairman)	4	-	4	2,00,000
2.	Mr. Hemang.D.Mehta	4	-	4	2,00,000
3.	Mr. S.V.S.Raghavan	2	4	6	3,00,000
4.	Mr. M.N.Rao	4	6	10	5,00,000
5.	Mr. B.P.Deshmukh	4	2	6	2,70,000
6.	Mr. K.N.Bhandari	4	6	10	5,00,000
7.	Mr. Bimal R. Thakkar	4	7	11	4,20,000
8.	Mr. Jayant N. Godbole	2	2	4	1,70,000
9.	Mr. Hemnabh Khatau	4	-	4	2,00,000
10.	Mr. P. K. Behl*	4	2	6	3,00,000
11.	Mrs. Bhagyam Ramani	4	2	6	2,70,000
12.	Mr. Ashwani Kumar [#]	1	-	1	50,000
	Total				33,80,000

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

[#] Mr. Ashwani Kumar was appointed on the Board w.e.f. 13.2.2019.

6. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE:

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

During the year under review, four meetings of the Committee were held. The meetings were held on 24th day of May 2018, 14th day of August 2018, 1st day of November 2018 and 13th day of February 2019. Details of the meetings attended by the members are given below:

Sr. No.	Members of Stakeholders Relationship & Grievances Committee	No. of meetings held	No. of meetings attended
1.	Mr. Bimal Thakkar (Chairman)	4	4
2.	Mr. Jay Mehta (Member)	4	4
3.	Mr. M.S.Gilotra (Member)	4	4

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

No. of complaints received	No. of Complaints redressed	No. of complaints pending.
2	2	Nil

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

**Terms of Reference:**

- a) to resolve the grievances of the Shareholders of the Company including complaints related to transfer of shares, non receipt of Balance Sheet and non receipt of declared dividends.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

7. ALLOTMENT COMMITTEE:

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

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

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

Members of Allotment Committee	No. of meetings held	No. of meetings attended
Mr. B. P. Deshmukh	1	1
Mr. Bimal Thakkar	1	1
Mrs. Bhagyam Ramani	1	1
Mr. M. S. Gilotra	1	1

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

Terms of Reference:

- a) To recommend to the Board of Directors for issue, offer of company's securities,
- b) To carry out all necessary pre and post allotment activities relating to the allotment.
- c) To issue certificate, letter of offer, and approving such allotment.
- d) To allot shares to all the eligible employees from time to time who will be exercising the options granted to them under Saurashtra Employee Stock Option Scheme 2017.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

The name, address and contact number of the Chairman of the Audit Committee is given below:

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

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

9. GENERAL BODY MEETINGS:

(i) Annual General Meetings:

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

Financial Year	Date	Time	Venue	Dividend declared
2017-18	14.8.2018	10.00 a.m.	Registered office of the Company	Re.1/- per share on 6,91,91,065 fully paid-up Equity Shares for the Financial year ended 31st March 2018
2016-17	26.7.2017	10.00 a.m.	Registered Office of the Company	Re.1/- per share on 6,91,91,065 fully paid-up Equity Shares for the Financial year ended 31st March 2017
2015-16	22.8.2016	10.00 a.m.	Registered Office of the Company	Re.1/- per share on 5,11,91,065 fully paid-up Equity Shares and Re.0.19 on 1,80,00,000 partly paid-up Equity Shares for the Financial year ended 31st March 2016

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

Financial Year	Date of AGM	Particulars of Special Resolution
2017-18	14.8.2018	- Appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, (Firm Registration No. 106041W /W100136) as Statutory Auditor of the Company for the Financial Year 2018-19 and up to Financial Year 2021-2022. - Ratification of Cost Auditors remuneration to be paid to M/s. V. J. Talati & Co., Cost Accountants for the Financial Year ending 31st March, 2019. - Re-appointment of Mr. S. V. S. Raghavan (DIN:00111019) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024. - Re-appointment of Mr. M. N. Rao (DIN:00027131) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024. - Re-appointment of Mr. K. N. Bhandari (DIN:00026078) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024. - Re-appointment of Mr. B. P. Deshmukh (DIN:00002357) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024. - Re-appointment of Mr. Jayant N. Godbole (DIN:00056830) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April 2019 to 31st March 2024. - Re-appointment of Mr. Bimal Thakkar (DIN: 00087404) as an Independent Director of the Company for another term of five consecutive years with effect from 1st April 2019 to 31st March 2024.

Financial Year	Date of AGM	Particulars of Special Resolution
		9. Re-appointment of Mr. P. K. Behl (DIN:00653859) as an Independent Director of the Company for another term of five consecutive years with effect from 30th May 2019 to 29th May 2024. 10. Re-appointment of Mrs. Bhagyam Ramani (DIN: 00107097) as an Independent Director of the Company for another term of five consecutive years with effect from 4th August, 2019 to 3rd August, 2024. 11. Payment of Remuneration to Mr. Jay Mehta (DIN:00152072), Executive Vice Chairman from 1st January 2019 till 31st December, 2020. 12. Payment of Remuneration to Mr. M. S. Gilotra (DIN:00152190), Managing Director from 1st January 2019 till 31st December 2020. 13. Approval for Overall Managerial Remuneration payable to Directors including Executive Vice Chairman and Managing Director. 14. Approval for continuation of holding of office by Mr. M. N. Mehta (DIN:00632865) as a Non-Executive Chairman of the Company beyond the age of 75 years. 15. Approval for continuation of holding of office by Mr. S. V. S. Raghavan (DIN:00111019) as a Non-Executive Independent Director of the Company beyond the age of 75 years. 16. Approval for continuation of holding of office by Mr. M. N. Rao (DIN:00027131) as a Non-Executive Independent Director of the Company beyond the age of 75 years. 17. Approval for continuation of holding of office by Mr. K. N. Bhandari (DIN:00026078) as a Non-Executive Independent Director of the Company beyond the age of 75 years.
2016-17	26.7.2017	1. Confirmation and ratification in the revision of remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for the period 1.1.2014 to 31.3.2015. 2. Payment of remuneration to Mr. M. S. Gilotra, Managing Director as per revised Schedule V under the Companies Act, 2013. 3. Approval of Saurashtra Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017) and authorizing the Board of Directors to grant 6919106 (Sixty nine lacs nineteen thousand one hundred and six) employee stock options to the permanent employees and Directors of the Company. 4. Authorizing Board of Directors to grant Employee Stock Options under ESOS 2017 to the employees of Subsidiary company.
2015-16	22.8.2016	1. Reclassification of 60,00,000 Preference Shares of ₹ 100/- (Rupees One hundred only) aggregating to ₹ 60,00,00,000 (Rupees Sixty crores only) and 50,00,000 Unclassified Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 5,00,00,000 (Rupees Five crores only) to Equity Capital and accordingly, the present Authorised Capital of the Company is ₹ 195,00,00,000 (Rupees One hundred ninety five crores only) divided into 19,50,00,000 (Nineteen crores fifty lacs) Equity Shares of ₹ 10/- (Rupees Ten) each.

No resolutions were put for voting through postal ballot.

(ii) Extraordinary General Meetings:

No Extraordinary General Meeting was held during the year.

(iii) Special Resolutions:

As stated above.

10. DISCLOSURES:

a) Transactions with Related Party / Material Nature:

During the year under review, there were no transactions of material nature with the Promoters, the Directors, Management or the subsidiaries or relatives of the Directors that had potential conflict with the Company. Transactions with related parties are mentioned in Note No.37 of Notes forming part of financial statements.

b) Penalties & Strictures:

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

c) Related Party Transactions:

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

d) Policy for determining the Material Subsidiaries:

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

e) Disclosure of Accounting Treatment:

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

f) Disclosure on Risk Management:

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

g) Code of Conduct;

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

h) CEO/CFO Certification:

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

i) Policy for preservation of documents:

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

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

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

k) Code of Conduct for Prohibition of Insider Trading:

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

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

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

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

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



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

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

11. MEANS OF COMMUNICATION:

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

12. GENERAL SHAREHOLDERS INFORMATION:

i)	Board Meeting for considering Audited results for the current Financial Year ended 31st March 2019.	Saturday the 25th May 2019	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2018) Quarter II (ending 30.9.2018) Quarter III (ending 31.12.2018) Quarter IV (ending 31.3.2019)	Within the period as stipulated under the SEBI (LODR) 2015
iii)	Annual General Meeting is proposed to be held	Wednesday the 21st August 2019	
iv)	Date of Book closure	Thursday the 8th August 2019 to Wednesday the 21st August, 2019 (both days inclusive)	

v) Listing of Equity Shares on Stock Exchange at:

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

vi) Listing Fees:

The Company has paid Listing Fees for the financial year 2019 - 2020 to the Bombay Stock Exchange Ltd., (BSE) where the Company's shares are listed.

vii) Registrar & Share Transfer Agent:

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

No complaint received from the Shareholders / Investors as on 31.3.2019 is pending relating to transfer of security.

viii) Share Transfer System:

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

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

ix) Distribution of Shareholding as on 31.3.2019:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	10322	83.49	1360881	1.96
501 – 1000	930	7.52	776260	1.12
1001 – 2000	477	3.86	755973	1.10
2001 – 3000	173	1.40	449893	0.65
3001 – 4000	80	0.65	292666	0.42
4001 - 5000	101	0.82	479556	0.69
5001 - 10000	128	1.03	970348	1.40
10001 - above	152	1.23	64251737	92.66
TOTAL	12363	100.00	69337314	100.00

x) Shareholders Profile as on 31.3. 2019:

Category	No. of shareholders	%	No. of shares held	%
Promoter Group Companies	11	0.09	46297653	66.77
Bodies Corporate	248	2.01	4108485	5.93
NRIs	423	3.42	233500	0.34
FIs	4	0.03	1810	-
Financial Institutions	2	0.02	272737	0.39
UTI & Insurance Companies	7	0.05	192487	0.28
Banks	7	0.05	151550	0.22
Mutual Fund	1	0.01	100	-
Foreign Companies	1	0.01	2470000	3.56
Indian Public	11659	94.31	15608992	22.51
Total	12363	100.00	69337314	100.00

xi) Dematerialization of shares:

As on 31.3.2019; 6,89,84,960 equity shares constituting 99.49% of the Company's total share capital were held in dematerialized form with NSDL and CDSL.

xii) Stock Market price data for the period 2018-2019:

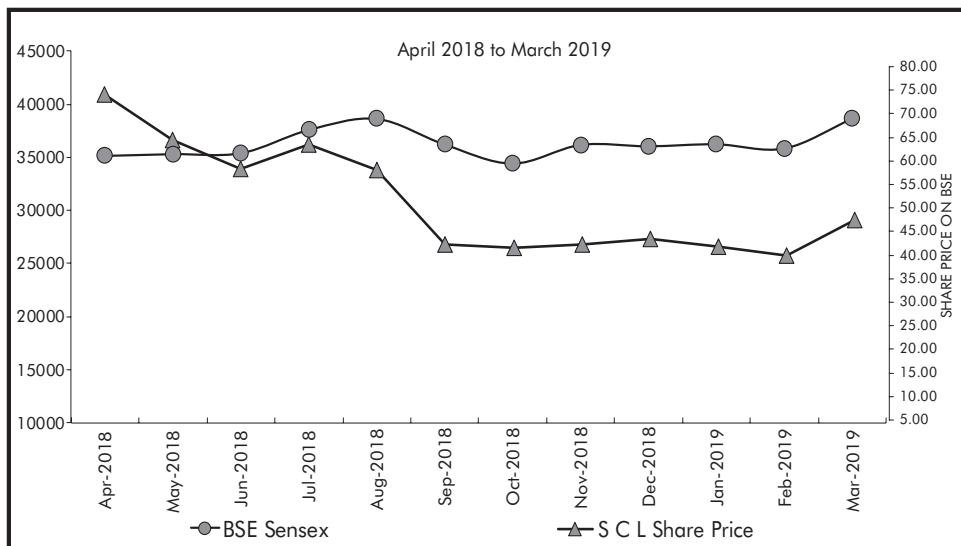
The High, Low and Closing prices of the Company's share of the face value of ₹ 10/- each on Bombay Stock Exchange, Mumbai from April 2018 to March 2019 are as under:-

In rupees

Month	High	Low	Closing
April 2018	79.50	69.50	74.00
May 2018	74.50	63.70	64.45
June 2018	65.90	54.05	58.30
July 2018	63.85	53.80	63.40
August 2018	63.55	54.30	58.10
September 2018	59.95	41.00	42.25
October 2018	46.95	38.00	41.45
November 2018	46.50	39.55	42.35
December 2018	47.50	38.60	43.40
January 2019	48.10	40.00	41.80
February 2019	42.10	35.20	39.80
March 2019	52.35	39.65	47.55

xiii) Performance in comparison to broad based indices:

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



Plant Location:

Near Railway Station, Ranavav, Gujarat 360 560.

xiv) Address for correspondence:

1. Registered Office:

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

2. Corporate Office:

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

Shareholder correspondence should be addressed to Registrars & Transfer Agent:

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

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

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

xv) Mandatory requirement of PAN:

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

13. OTHER DISCLOSURES:

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

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

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

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

(c) Secretarial Compliance Report

The Company has received Secretarial Compliance Report for the year ended 31st March 2019 from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and forms part of the Directors Report as **Annexure K**.

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

The Board has accepted all the recommendation from the Committees.

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

During the year, the Company has paid total fees to the Statutory Auditors is ₹ 18.30 lakhs.

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

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

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **None**
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; **None**
- (c) Number of shareholders to whom shares were transferred from suspense account during the year; **None**
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **None**
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares; **N.A.**

(g) The security of the Company was never suspended from trading including the year 2018-19.



14. DISCRETIONARY REQUIREMENTS :

(a) Chairman's Office:

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

(b) Shareholders Rights:

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

(c) Auditor's Opinion:

The Company's Standalone Financial Statements for the year ended 31st March 2019 does not have any qualification.

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

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

(e) Reporting of internal auditor:

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

(f) Code for Prohibition of Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 2018. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

15. Subsidiary Companies:

There is no material non listed Indian Subsidiary Company as on 31-03-2019 requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary companies.

On behalf of the Board of Directors

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

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

Place: Mumbai
Dated: 25th May, 2019

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 2019.

On behalf of the Board of Directors

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

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

Place: Mumbai
Dated: 25th May, 2019

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To
the Members of
Saurashtra Cement Limited

Auditor's Certificate on Corporate Governance

1. We, Manubhai & Shah LLP, Chartered Accountants, the statutory auditor of Saurashtra Cement Limited (the Company) have examined the relevant records for the year ended March 31, 2019 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 2019.

Management's responsibility

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

Auditor's responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of relevant records of the Company in accordance with the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India (the ICAI), the Standard on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

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

For **Manubhai & Shah LLP**

Chartered Accountants

Firm Registration No. 106041W/W100136

(K C Patel)

Partner

Membership No. 30083

Place : MUMBAI

Date : May 25, 2019



ANNEXURE - C

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis –
Not Applicable as all contracts are at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis
 - I. (a) Name(s) of the related party and nature of relationship
Gujarat Sidhee Cement Limited – Associate Company.
 - (b) Nature of contracts/arrangements/transactions
 - a. Sale / Purchase / supply of clinker and cement at the rates fixed by the Audit Committee.
 - b. Availing, rendering services like administration, human resources and sharing of common expenses on agreed formula etc.
 - c. Brand fee for use of Brand "Hathi" as per Brand valuation report.
 All above transactions are at prevailing market price and at arms length basis.
 - (c) Duration of the contracts/arrangements/transactions
Nil
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
 - (e) Date(s) of approval by the Board, if any.
24th May 2018
 - (f) Amount paid as advances, if any.
NIL
 - II. (a) Name(s) of the related party and nature of relationship
Agrima Consultants International Limited – wholly owned subsidiary
 - (b) Nature of contracts/arrangements/transactions
Utilisation of their premises by the Company for official use.
 - (c) Duration of the contracts/arrangements/transactions
On going with the approval of the Audit Committee and Board.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
 - (e) Date(s) of approval by the Board, if any.
24th May 2018.
 - (f) Amount paid as advances, if any.
NIL

On behalf of the Board of Directors

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

Jay Mehta
Executive Vice Chairman
(DIN: 00152072)

Place : Mumbai
Dated : 25th May, 2019

ANNEXURE - D

CSR REPORT

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	The Company has adopted the CSR policy on 9th February 2015. The same is available on the website of the Company at http://scl.mehtagroup.com/policy/csr-policy
2.	Composition of CSR Committee	Mr. Jay Mehta, Executive Vice Chairman Mr. M. S. Gilotra, Managing Director Mr. Jayant N. Godbole, Independent Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	₹ 4097.29 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 81.95 lakhs
5.	Details of CSR spent during the financial year	₹ 81.92 lakhs
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	₹ 0.03 lakhs The difference was on account of some on-going projects which were not completed during the year.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

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

Sr. No.	CSR Project / Activities	Sector	Location – District (States)	Amount outlay ₹ in Lakhs	Amount spent on programs ₹ in Lakhs	Cumulative Expenditure upto the reporting period ₹ in Lakhs	Amount Spent : Direct or through Implementing Agency
1.	Running of Schools, extra coaching classes to under-privileged students nearby areas, distribution of educational kits, cementing the areas for prayer and assembly in the school, distribution of water bottles, Donation to Arya Kanya Gurukul for development of educational activities.	Educational Activities	Ranavav, Dist : Porbandar, nearby villages of Ranavav Taluka,	63.60	63.60	63.60	Direct
2.	De-silting of dam/river/pond for water conservation, provided bore-well to station plot near Jageshwar temple for the people of surrounding areas, construction of toilets.	Rural Development Project	Aditpara village and Digvijay Gram village	14.19	14.16	14.16	Direct
3.	Plantation done in Gurukul	Environmental Projects	Porbandar	3.96	3.96	3.96	Through Implementing Agency Donation to trust
4.	De-addiction program and organized yoga camp for employees and nearby public	Health	Ranavav	0.20	0.20	0.20	Direct
	Total			81.95	81.92	81.92	

For and on behalf of the Board

Jay Mehta

Executive Vice Chairman &
Chairman of the CSR Committee
Dated : 25th May, 2019


ANNEXURE - E

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

Name of Director	Mr. Hemnabh R. Khatau	Mr. Ashwani Kumar
Date of Birth	27th February, 1961	28th February 1958
Date of Appointment	Initially joined the Board on 25.10.2008 and was reappointed in current term on 26.7.2017.	He joined the Board on 13th February 2019.
Expertise in specific General Functional area	Developing and Implementing successful strategies for growth and improving performance.	A versatile banker, Mr. Ashwani Kumar has a rich banking experience of over 37 years in Allahabad Bank, Corporation Bank and Dena Bank both in operational level and administrative level. He retired as Chairman and Managing Director of Dena Bank.
Qualification	B.A. (Engg). from Cambridge, M.Sc (UMIST)	Post Graduate in Chemistry and is a Certified Associate of Indian Institute of Bankers.
List of outside Directorships held (Public Limited Companies)	1. Gujarat Sidhee Cement Limited 2. Agrima Consultants International Limited	1. Gujarat Sidhee Cement Limited. 2. Srei Equipment Finance Limited. 3. IDBI Capital Market and Security Limited.
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil	Member of Nomination & Remuneration Committee
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) Members Committee	Nil	Nil
Shares held by the Directors in the Company	Nil	Nil

ANNEXURE - F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	BABURAO DESHMUKH PRATAPRAO	00002357	30/08/2012
2	KAILASH NATH BHANDARI	00026078	28/10/2005
3	MUTTAVARAPU NAGESWARA RAO	00027131	15/10/2004
4	JAYANT NARAYAN GODBOLE	00056830	28/04/2008
5	BIMAL RAMESH THAKKAR	00087404	29/04/2009
6	BHAGYAM RAMANI	00107097	30/05/2014
7	SRIRANGARAJAPURAM VENKATARAMA IYENGAR SRINIVASA RAGHAVAN	00111019	27/01/2005
8	HEMANG D MEHTA	00146580	15/10/2004
9	JAY MAHENDRA MEHTA	00152072	15/10/2004
10	MOHINDERPAL SINGH GILOTRA	00152190	01/01/2009
11	MAHENDRA NANJIBHAI MEHTA	00632865	15/10/2004
12	HEMNABH RANVIR KHATAU	02390064	25/10/2008
13	ASHWANI KUMAR	02870681	13/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ragini Chokshi & Co.

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

Date: 20.05.2019

Place: Mumbai



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAURASHTRA CEMENT LIMITED (CIN: L26941GJ1956PLC000840)** (hereinafter called the Company) for the year ended on March 31, 2019. 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 on March 31, 2019 (Audit Period) 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable 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:

1. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
2. 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.

We further report that:

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

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

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

1. Appointment of Mr. Ashwani Kumar (DIN: 02870681) as an Additional Independent Director of the Company with effect from February 13, 2019.
2. Vacation of Office of Mr. Pawan Kumar Behl (DIN: 00653859) as an Independent Director of the Company with effect from March 08, 2019.

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

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

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

1. The Share Allotment Committee of the Board of Directors has allotted 146249 Equity Shares at the face value of ₹ 10/- each on March 25, 2019 to employees eligible under "Saurashtra Employee Stock Option Scheme 2017" pursuant to the options exercised by them. These shares being fully paid, shall rank pari passu with existing shares.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Ragini Chokshi
(Partner)

C.P. No. 1436
FCS No. 2390

Place: Mumbai
Date: 02-05-2019



ANNEXURE - H

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. Medium Voltage frequency drive for Sepax fan cement mill no.1.
2. Variable frequency drive for coal mill no. 2 booster fan, cement mill air slide.
3. Use of energy efficient lamps by replacing Street and Plant lights with LED.
4. Replacement of two old GCT reciprocating compressors with high efficiency screw compressors.
5. Replacement of CM-3 Separator with new high efficiency dynamic separator.
6. Raw Mill Cyclone modification work.
7. Bag house inlet modification work.
8. Raw mill nozzle ring modification work.
9. Replacement of old motor with high efficiency motors (7 nos.).

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

- Ready to use AFR like TDI Tar, Spent carbon, Distillation residue, discarded drugs.

c) The capital investment on energy conservation equipment:

- Capital invested for items mentioned in (a) and (b) above during the year was ₹ 510 lacs.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption:

1. Upgradation of DCS system at TPP.
2. Up gradation of cement mill no.1 heat exchanger system.
3. Installation of low NOx burner.
4. Use of Plasma cutting machine.
5. New survey machines for mines.
6. Installation of Unmanned weigh bridge.

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

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

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

d) Expenditure incurred on Research and Development (R&D)
Expenditure incurred ₹ 350 lacs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2018-19 (₹ in Lacs)	Previous Year 2017-18 (₹ in Lacs)
Foreign Exchange earned	2,843.99	656.71
Foreign Exchange used	10,354.18	5,681.35

ANNEXURE - I

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

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

Median remuneration of all the employees of the Company for the Financial Year 2018-2019	518446
Percentage increase in the median remuneration of employees in the Financial Year	12.58% @
Number of permanent employees on the rolls of the Company as on 31st March 2019	417

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2018-2019
Executive Director		
Mr. Jay Mehta, Executive Vice Chairman	61.27 : 1	(*)
Mr. M. S. Gilotra, Managing Director	50.87 : 1	(#) & (@)
Other KMPs		
Mr. Rakesh Mehta, Chief Finance Officer	15.70 : 1	6.27%@
Ms. Sonali Sanas, Sr. Vice President (Legal) & Company Secretary	11.88 : 1	9.55%@

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

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

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

(@) Employees who were granted and exercised options in the form of ESOPs in the year 2018-19 is not included, else the data would have been non-comparable.

b. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase in the remuneration of employees is around 8.76%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.

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

**ANNEXURE - J**

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

Options granted during the year	Nil
Options vested during the year (1st Vesting option date 8th February, 2019)	5,38,973
Options Exercised (8th February, 2019 to 31st March, 2019)	1,46,249
Total number of shares arising as a result of exercise of option	1,46,249
Options Lapsed	21,380
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	₹ 14,62,490/-
Total no. of options in force	Options in force: Options granted less Options against which allotment is done i.e. 16,33,253 – 1,46,249 = 14,87,004

Employee wise details granted to :

Key Managerial Personnel

Name	Designation	No. of Options vested	No. of options exercised	No of shares allotted
M. S. Gilotra	Managing Director	1,14,165	40,000	40,000
Rakesh Mehta	Chief Financial Officer	45,690	45,690	45,690
Sonali Sanas	Sr. Vice President-Legal & Company Secretary	26,247	10,000	10,000

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

Name	Designation	Number of Options granted
NIL		

Employees to whom options more than 1% of issued capital granted during the year – Nil**Utilisation of Funds :**

During the year, the Company has utilized entire amount of ₹ 14,62,490/- received towards allotment of shares to the eligible employees under Saurashtra Employee Stock Option Scheme 2017 towards working capital of the Company.

ANNEXURE - K

SECRETARIAL COMPLIANCE REPORT

of SAURASHTRA CEMENT LIMITED for the year ended March 31, 2019

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

We have examined:

- all the documents and records made available to us and explanation provided by **SAURASHTRA CEMENT LIMITED** ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the Audit Period)**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(Not Applicable during the Audit Period)
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit Period)**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable during the Audit Period)**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, We hereby report that, during the Review Period:

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Not Applicable during the year under review			

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



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

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

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

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

For **Ragini Chokshi & Co.**
(Company Secretaries)

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

Place: Mumbai
Date: May 02, 2019

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To
The Members of Saurashtra Cement Limited
Report on the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How was the matter addressed in our audit
Recognition of Deferred Tax Assets The Company has recognized Deferred Tax Assets on the unused tax losses and unused tax credit (MAT Credit entitlement) which involves significant judgement to determine whether there will be probability of taxable income against which the tax losses will be realized or tax credit will be utilized. We have considered this matter to be key audit matter considering the significant judgement involved in estimating future taxable income against which such assets can be realized within allowed time frame. Refer Note 18 to the Standalone Financial Statements	Our audit procedures include the following substantive procedures: - Obtained details of completed tax assessments up to year ended March 31, 2019 from management. - We involved our internal experts to review management's underlying assumptions in estimating the tax provision. - Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax provisions. - We evaluated the projections of profitability and key assumptions used in projections by comparing them to approved business plan by the management on the basis of which it is considered that the company will have sufficient taxable income against which the tax losses will be realized or tax credit will be utilized. - Verified that recognition of such assets is made in accordance with Ind AS 12 "Income Taxes".



Key Audit Matter	How was the matter addressed in our audit
Uncertain tax position under Indirect Tax Laws The Company has material tax litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount. We have considered these matters to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. Refer Notes 22 & 33 to the Standalone Financial Statements	Our audit procedures include the following substantive procedures: - Obtained the details of uncertain tax position and gained understanding thereof. - Read and analyzed relevant communication with the authorities and legal consultants. - We have perused the opinion of legal consultant obtained by the management on possible outcome of the litigation. - Discussed with senior management and evaluated management's assumptions regarding provisions made. - Verified that accounting treatment / disclosure in respect of pending litigations is in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
Impairment of Capital Work in Progress (CWIP) The Company has incurred the expenditure of ₹ 8,107.17 Lakhs on expansion project in earlier years. The expenditure comprised of cost of imported plant & machineries (including related stores and spares), civil work and pre-operative expenses (including interest capitalized). The amount is shown under Capital Work in Progress. The project was suspended in the year 2005. However, the company intends to install the assets at a later date, depending upon the market condition. Considering this, the valuation of assets has been done by obtaining report of project consultant. Based on the valuation report aggregate provision of ₹ 4,551.14 Lakhs up to March 31, 2019 has been made for impairment of the said assets. We have considered this matter to be key audit matter considering the significant judgement involved in valuation of assets for the purpose of determining Impairment. Refer Note 2 to the Standalone Financial Statements	Our audit procedures include the following substantive procedures: - Obtained the details of assets and expenditure incurred in respect of expansion project. - Carried out physical verification of the assets and assessed their condition. - Discussed with senior management about their plan for utilization of the assets at a later date. - Assessed the valuation expert's competency and objectivity; - Perused the valuation report of the valuation expert and reviewed methods and underlying assumptions on the basis of which valuation has been made. - Verified the working of the amount of provision made for impairment of the assets. - Verified that accounting treatment / disclosure in respect of impairment of assets is in accordance with Ind AS 36 "Impairment of Assets".
Rebates, Discounts and Incentives to customers The Company sells its products through various channels such as dealers and commission agents (customers) and provides rebates / discounts as well as recognises liabilities related to incentives payable to them under various marketing schemes. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and is stated net of rebates, discounts and incentives. Rebates, discounts and incentives are administered through various schemes. So far as incentives are concerned, for determination of revenue, the management is required to make significant estimates in respect of the followings: - The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company; - Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the company. The amount of rebates and discounts are material items and incentives involve significant estimates by the management. Hence the matter has been considered to be a key audit matter. Refer Note 22 to the Standalone Financial Statements	Our audit procedures include the following substantive procedures: - Obtained an understanding from the management with regard to controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls. - Tested the inputs used in the estimation of revenue in context of incentives. - Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. - Analysed past trends by comparing actuals with the estimates of earlier periods. - Verified that rebates, discounts and incentives are appropriately authorized. - Verified that accounting treatment is in accordance with Ind AS 115 "Revenue from Contracts with Customers".

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial statements – Refer Note 33 to the Standalone Financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the **Annexure B**, a statement on the matters specified in the paragraphs 3 and 4 of the order.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

Place: Mumbai

Date: May 25, 2019

(K C Patel)

Partner

Membership No. 30083

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the Standalone Financial statements of Saurashtra Cement Limited (The Company) as of and for the year ended March 31, 2019, we have also audited the internal financial controls over financial reporting of the Company.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

Place: Mumbai

Date: May 25, 2019

(K C Patel)

Partner

Membership No. 30083

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, portion of the fixed assets were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed immovable properties (buildings) are held in the name of Company. The self-constructed Building having Gross book value of ₹ 2,411.45 Lakhs (Net Block ₹ 120.57 Lakhs) is on the land of Gujarat Maritime Board which has given license vide agreement dated January 17, 1997 to use the land for period of 15 years from the date of completion of construction being October 8, 2000. During the year, the GMB has renewed the agreement for 10 years effective from November 01, 2015 and valid upto October 31, 2025.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) (a) According to information and explanations given to us, the Company has granted unsecured loan to its subsidiary, which is a company covered in the register maintained under Section 189 of the Act. The Company has not granted any other loans, secured or unsecured, to firms, Limited Liabilities Partnerships or other parties covered under Section 189 of the Act.
- (b) In respect of aforesaid loan, the rate of interest and terms of repayment have been stipulated. Considering the amount involved and the fact that it is given to a subsidiary and for the purpose of which it is given, in our opinion, the same is not, prima facie, prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The company has not given any guarantee or provided any security in connection with the loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of cement produced by the Company where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, Goods and Services Tax, and other material statutory dues, as applicable, with appropriate authorities.

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, 2019 for a period of more than six months from the date they became payable. As informed to us, the provisions of the Employees’ State Insurance Act are not applicable to the Company.



- (b) According to the information and explanations given to us and the records of the Company examined by us, the details of disputed statutory dues of Income Tax, Service Tax, Sales Tax, Value Added Tax, Excise Duty and other material statutory dues which have not been deposited as at March 31, 2019 on account of dispute are as under:

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs) *	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	174.05	2006-07 & 2007-08	High Court of Gujarat
		636.31	2007-08 to 2013-14	CESTAT
		405.57	2009-10 to 2013-14	CESTAT
		7.76	2014-15 to 2016-17	CESTAT
		1.58	2013-14 & 2014-15	Commissioner of Excise Appeals
		513.25	2014-15 to 2016-17	Commissioner of Excise Appeals
The Finance Act, 1994	Service Tax	3.90	2006-07 to 2011-12	Jt. Commissioner, Excise, Bhavnagar
Customs Act 1962	Custom Duty	1,135.65	2011-12 & 2012-13	CESTAT
Gujarat Sales Tax Act, 1969	Gujarat Sales Tax	2.09	2005-06	Jt. Commissioner, Commercial Tax, Rajkot

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

- (viii) To the best of our knowledge and according to information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not taken any loans either from financial institution or Government or has not issued any debentures.
- (ix) The Company has raised money by way of Term Loan from Bank and the proceeds were applied for the purposes for which those are raised. The Company has not raised moneys by way of initial public offer or further public offer (Including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting requirement under paragraph 3 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected to directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

Place: Mumbai

Date: May 25, 2019

(K C Patel)

Partner

Membership No. 30083

BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	34,847.20	33,387.54
(b) Capital Work-in-Progress	2	3,701.99	4,330.00
(c) Other Intangible Assets	2	12.83	7.23
(d) Financial Assets			
(i) Investments	3	531.79	614.09
(ii) Loans	4	281.93	171.32
(iii) Other Financial Assets	5	105.00	116.43
(e) Deferred Tax Assets (Net)	18	188.43	-
(f) Other Non-Current Assets	6	2,010.83	1,286.52
SUB-TOTAL		41,680.00	39,913.13
CURRENT ASSETS			
(a) Inventories	7	7,841.51	5,628.77
(b) Financial Assets			
(i) Trade Receivables	8	1,580.27	1,894.49
(ii) Cash and Cash Equivalents	9	743.37	555.05
(iii) Bank Balances other than (ii) above	10	7,303.88	7,582.28
(iv) Loans	11	11.74	509.24
(v) Other Financial Assets	12	199.27	219.13
(c) Other Current Assets	13	439.42	1,241.97
SUB-TOTAL		18,119.46	17,630.93
TOTAL ASSETS		59,799.46	57,544.06
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	6,934.04	6,919.42
(b) Other Equity	15	34,004.09	34,744.51
SUB-TOTAL		40,938.13	41,663.93
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	401.75	295.68
(b) Provisions	17	1,240.06	1,159.66
(c) Deferred Tax Liabilities (Net)	18	-	36.24
SUB-TOTAL		1,641.81	1,491.58
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	2,597.02	1,306.38
(ii) Trade Payables	20	93.68	64.27
- Total Outstanding dues of Micro Enterprises and Small Enterprises		6,249.13	5,149.85
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises			
(iii) Other Financial Liabilities	21	1,950.38	1,925.10
(b) Other current liabilities	22	6,040.92	5,635.09
(c) Provisions	23	288.39	268.90
(d) Current Tax Liabilities (Net)	24	-	38.96
SUB-TOTAL		17,219.52	14,388.55
TOTAL EQUITY AND LIABILITIES		59,799.46	57,544.06
Significant Accounting Policies and Notes are an integral part of the Financial Statements			

1 to 44

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019



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

	Note No.	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
Revenue from Operations	25	62,119.04	59,200.70
Other Income	26	884.05	1,767.43
Total Income		63,003.09	60,968.13
Expenses			
(a) Cost of Materials Consumed	27	6,284.98	4,822.49
(b) Excise Duty on sale of goods		-	1,835.67
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(292.68)	(125.45)
(d) Employee Benefits Expense	29	4,939.83	4,149.74
(e) Finance Costs	30	474.33	341.88
(f) Depreciation and Amortisation Expenses	2	1,833.54	1,774.30
(g) Other Expenses	31	50,755.68	43,519.58
Total Expenses		63,995.68	56,318.21
Profit / (Loss) before Exceptional Items and tax		(992.59)	4,649.92
Exceptional Items	32	319.72	-
Profit / (Loss) before tax		(672.87)	4,649.92
Tax Expense	39		
(a) Current tax		-	999.45
(b) Relating to previous years		20.45	22.48
(c) Deferred tax		(206.07)	(2,622.66)
Total Tax Expense		(185.62)	(1,600.73)
Profit / (Loss) for the year		(487.25)	6,250.65
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(53.22)	(1.53)
(b) Effect of measuring Equity Instruments on Fair Value		(82.31)	(4.61)
(c) Income tax on (a) & (b)		18.60	0.53
Total Other Comprehensive Income for the year (net of tax)		(116.93)	(5.61)
Total Comprehensive Income for the year		(604.18)	6,245.04
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	43	(0.70)	9.03
(b) Diluted (₹ per share)	43	(0.70)	9.03
Significant Accounting Policies and Notes are an integral part of the Financial Statements			

As per our report of even date attached

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

K C Patel

Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019

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

A. EQUITY SHARE CAPITAL

Balance as at April 01, 2017	Changes in Equity Share Capital during the year 2017-18	Balance as at March 31, 2018	Changes in Equity Share Capital during the year 2018-19	Balance as at March 31, 2019
6,919.11	-	6,919.11	14.62	6933.73

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Total	
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Options Outstanding	General Reserve			Retained Earnings
Balance at the beginning of the Reporting Period i.e. As at April 01, 2017 Profit for the year Effect of measuring Equity Instruments on Fair Value Remeasurement of defined benefit plan (net of tax) Total Comprehensive Income for the year Dividend on Equity Shares Dividend Distribution Tax Share based payments to employees Balance at the end of the Reporting Period i.e. As at March 31, 2018	-	2,712.70	737.60	10,566.71	-	5,786.29	12,506.43	29,225.53	
	-	-	-	-	-	-	6,250.65	6,250.65	
	-	-	-	-	-	-	-	(4.61)	
	-	-	-	-	-	-	(1.00)	(1.00)	
	-	-	-	-	-	-	6,249.65	6,245.04	
	-	-	-	-	-	-	(691.91)	(691.91)	
	-	-	-	-	-	-	(140.86)	(140.86)	
	-	-	-	-	-	-	106.71	106.71	
	-	2,712.70	737.60	10,566.71	106.71	5,786.29	17,923.31	34,744.51	
	-	2,712.70	737.60	10,566.71	106.71	5,786.29	17,923.31	34,744.51	
Balance at the beginning of the Reporting Period i.e. As at April 01, 2018 Loss for the year Effect of measuring Equity Instruments on Fair Value Remeasurement of defined benefit plan (net of tax) Total Comprehensive Income for the year Dividend on Equity Shares Dividend Distribution Tax Share Application Money received on exercise of Employee Stock Options, pending allotment Share based payments to employees Employee Stock Options exercised during the year Employee Stock Options lapsed during the year Balance at the end of the Reporting Period i.e. As at March 31, 2019	-	-	-	-	-	-	(487.25)	(487.25)	
	-	-	-	-	-	-	-	(82.31)	(82.31)
	-	-	-	-	-	-	(34.62)	(34.62)	
	-	-	-	-	-	-	(521.87)	(604.18)	
	-	-	-	-	-	-	(691.91)	(691.91)	
	-	-	-	-	-	-	(142.22)	(142.22)	
	1.61	-	-	-	-	-	-	-	
	-	-	-	-	703.91	-	-	1.61	
	-	-	-	-	(110.49)	-	-	703.91	
	-	-	-	-	(7.63)	-	-	(7.63)	
1.61	2,712.70	737.60	10,677.20	692.50	5,786.29	16,567.31	34,004.09		

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

K C Patel

Partner

Membership No. 30083

Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

M. N. Mehta
Chairman

Jay M. Mehta
Executive Vice-Chairman

Jay M. Mehta
Executive
Director

M. S. Gilotra
Managing Director

Rakesh Mehta
Chief Financial Officer

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

Mumbai, Dated May 25, 2019



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

	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	(672.87)	4,649.92
Adjustments for :		
Add: Finance Costs	470.38	341.88
Loss on Sale of Property, Plant and Equipment	11.47	51.55
Bad Debts Written off	-	124.48
Fair Value changes	2.57	3.01
Provision for Leave & Gratuity Expenses	46.67	64.82
Share-based Payments to Employees	696.28	106.71
Depreciation and Amortisation Expense	1,833.54	1,774.30
	3,060.91	2,466.75
Less: Interest Income	(523.70)	(506.54)
Dividend Income	(0.04)	(0.08)
Exceptional items	(319.72)	-
Excess Provision and Trade / Other Payables Written Back	(149.00)	(787.09)
Provision for Doubtful Debts Written Back	(1.45)	(138.91)
	(993.91)	(1,432.62)
Operating Profit before Working Capital changes	1,394.13	5,684.05
Adjustments for increase / decrease in:		
Trade Payables, Financial Liabilities and Other Current Liabilities	1,674.10	42.34
Long-term Loans and Other Non-Current Assets	16.80	99.85
Inventories	(2,212.74)	210.57
Trade Receivables	315.67	(429.34)
Short-term Loans, Financial Assets and Other Current Assets	569.75	241.35
	363.58	164.77
Cash Generated from Operations	1,757.71	5,848.82
Add: Direct Taxes (Payments) / Refunds	(328.61)	(923.98)
Net Cash Generated from Operating Activities	1,429.10	4,924.84
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,148.56)	(3,143.20)
Proceeds from Sale of Property, Plant and Equipment	30.78	84.72
Proceeds from Sale of Non-Current Asset held for disposal	397.01	-
(Increase) / Decrease in Bank Deposits	289.83	(1,155.95)
Interest income on Bank Deposits	539.08	476.70
Loan given to Subsidiary	(147.00)	-
Repayment received against Inter Corporate Loans given	494.91	8.00
Dividend Income	0.04	0.08
Net Cash used in Investing Activities	(1,543.91)	(3,729.65)

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

	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money received on exercise of Employee Stock options	16.23	-
Proceeds from Long-term Borrowings	359.22	219.38
Repayment of Long-term Borrowings	(156.83)	(74.99)
Short-term Borrowings (Net)	1,290.64	(155.68)
Finance Costs Paid	(387.27)	(341.88)
Dividend Paid	(676.64)	(691.91)
Dividend Distribution Tax Paid	(142.22)	(140.86)
Net Cash used in Financing Activities	303.13	(1,185.94)
Net increase in Cash and Cash Equivalents	188.32	9.25
Cash and Cash Equivalents at the beginning of the year	555.05	545.80
Cash and Cash Equivalents at the end of the year (Refer Note 9)	743.37	555.05

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows", as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2 Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"

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

	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
For the year ended March 31, 2019				
Short Term Borrowings	1,306.38	1,290.64	-	2,597.02
Long Term Borrowings (including Current maturities)	408.96	202.39	-	611.35
Bank Balances other than Cash and Cash Equivalents	7,698.71	289.83	-	7,408.88

3 Figures in bracket indicates cash outflows.

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019



NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

A Company Overview:

Saurashtra Cement Limited (the Company) is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Company is engaged in the business of manufacturing and selling of Cement.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for publication on May 25, 2019.

B Significant Accounting Policies

1.1 Statement of Compliance:

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

1.2 Basis of Preparation and Presentation:

a) Basis of Preparation:

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

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

b) Functional and Presentation Currency:

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

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

- i. The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-current classification.
- ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-current classification of its Assets and Liabilities.
- iii. An asset is classified as Current when:
 - It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is expected to be realised within twelve months after the reporting period; or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.
- iv. A liability is classified as Current when:
 - It is expected to be settled in normal operating cycle; or
 - It is held primarily for the purpose of trading; or

NOTES FORMING PART OF FINANCIAL STATEMENTS

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

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

1.3 Property, Plant and Equipment (PPE):

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

1.4 Depreciation / Amortisation:

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

1.5 Non-current Assets held for sale:

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

1.6 Intangible Assets:

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

1.7 Assets acquired on Lease:

Assets acquired under leases where a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

1.8 Impairment of Non-financial Assets:

- i. The Company, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.
- ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
- iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

- i. **Raw materials, Fuels, Stores and spare parts and Packing materials** - At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.
- ii. **Work-in-progress (WIP), Finished goods and Stock-in-trade** - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

1.10 Revenue and Income Recognition :

A Revenue from Contracts with Customers

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

B Other Operating Revenue - Export entitlement

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

C Income Recognition

- i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- ii. Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.
- iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

1.11 Foreign Currency Transactions:

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans etc.), which are denominated in foreign currency are translated at the spot rates of exchange of functional currency at the reporting date.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

- i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.
- ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.
- iii. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
- iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

1.13 Employee Benefits:

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

- ii. **Defined benefit plan :** Gratuity: In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an Actuary. The Company has an employees gratuity fund managed by the Life Insurance Corporation of India ("LIC").

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

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
 - The date when the Company recognises related restructuring costs
- iii. **Compensated Absences:** As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the year in which the employees render the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an Actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

1.14 Borrowing Costs:

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

1.15 Segment Reporting:

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

1.16 Taxation:

i. Current tax:

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

ii. Deferred tax:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

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

1.17 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

- iii. Contingent assets are neither recognised nor disclosed.

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

1.18 Financial Instruments:

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

- ii. Financial assets:

Initial recognition and measurement:

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

Subsequent measurement:

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

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

iii. Debt instruments at amortised cost:

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

iv. Equity investments:

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

v. Derecognition:

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

vi. Investment in Subsidiary:

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

vii. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, bank balance etc.
- b) Financial assets that are equity instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However if credit risk has increased significantly, lifetime ECL is used.

viii. Financial liabilities:

Initial recognition and measurement:

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

ix. Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

x. Derecognition:

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

xi. Offsetting of financial instruments:

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

1.19 Fair Value Measurement:

- i. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
 - In the principal market for the asset or liability or
 - In the absence of a principal market, in the most advantageous market for the asset or liability
- ii. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
 - Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
 - Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
 - Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.
- v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



NOTES FORMING PART OF FINANCIAL STATEMENTS

1.20 Cash and Cash Equivalents:

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

1.21 Earnings Per Share:

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

1.22 Standards issued but not yet effective:

Ind AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.

C Critical accounting judgements, estimates and assumptions:

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

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

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

iii. **Recoverability of trade receivable:**

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

iv. **Defined benefit plans:**

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

v. **Provisions:**

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

vi. **Share-based payments:**

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lakhs

	Gross Block			Depreciation, Amortisation and Impairment			Net Block	
	As at April 01, 2018	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2019	For the Year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018
Tangible Assets								
Freehold land	11,236.77	-	-	11,236.77	-	-	11,236.77	11,236.77
Leasehold land [Refer Note (i)]	0.09	-	-	0.09	-	-	0.09	0.09
Buildings and Jetty [Refer Note (ii)]	7,865.61	230.55	-	8,096.16	144.82	-	4,243.20	4,157.47
Plant and equipments [Refer Note (iv)]	43,222.01	2,606.75	6.52	45,822.24	1,251.44	4.05	16,975.26	15,622.42
Furniture and Fixtures	1,642.16	219.15	5.45	1,855.86	115.12	5.21	895.07	791.28
Vehicles	2,042.05	90.48	67.62	2,064.91	176.60	33.63	944.22	1,064.33
Office equipments	948.66	182.62	91.46	1,039.82	131.21	86.91	430.26	383.40
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	9.45	-	122.33	131.78
Total Tangible Assets	67,214.15	3,329.55	171.05	70,372.65	1,828.64	129.80	34,847.20	33,387.54
Other Intangible Assets								
Other than internally generated								
Computer softwares	265.11	11.50	35.83	240.78	4.90	34.83	12.83	7.23
Total Intangible Assets	265.11	11.50	35.83	240.78	4.90	34.83	12.83	7.23
Capital Work-in-Progress								
Tangible Capital WIP	8,871.14	1,435.18	2,063.19	8,243.13	-	-	3,701.99	4,330.00
[Refer Note (v)]								
Total Assets	76,350.40	4,776.23	2,270.07	78,856.56	1,833.54	164.63	38,562.02	37,724.77

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

₹ in lakhs

	Gross Block			Depreciation, Amortisation and Impairment			Net Block
	As at April 01, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	For the Year	Deductions/ Adjustments	As at March 31, 2018
Tangible Assets							
Freehold land	11,236.77	-	-	11,236.77	-	-	11,236.77
Leasehold land [Refer Note (i)]	0.09	-	-	0.09	-	-	0.09
Buildings and Jetty [Refer Note (ii)]	6,935.42	942.16	11.97	7,865.61	117.50	11.37	4,157.47
Plant and equipments [Refer Note (iii and iv)]	41,801.67	1,694.11	273.77	43,222.01	1,136.26	238.25	15,622.42
Furniture and Fixtures	1,585.35	347.55	290.74	1,642.16	108.08	265.66	850.88
Vehicles	1,911.67	324.67	194.29	2,042.05	166.66	94.56	1,064.33
Office equipments	882.72	168.75	102.81	948.66	98.89	93.65	383.40
Railway siding, weighbridge, rolling stock and locomotives	272.48	-	15.68	256.80	9.45	14.89	131.78
Total Tangible Assets	64,626.17	3,477.24	889.26	67,214.15	1,636.84	718.38	33,387.54
Intangible Assets							
Other than internally generated							
Computer softwares	271.52	2.23	8.64	265.11	15.42	8.64	257.88
Total Intangible Assets	271.52	2.23	8.64	265.11	15.42	8.64	257.88
Capital Work-in-Progress							
Tangible Capital WIP [Refer Note (v)]	9,207.43	361.29	697.58	8,871.14	122.04	-	4,541.14
Total Assets	74,105.12	3,840.76	1,595.48	76,350.40	1,774.30	727.02	37,724.77



NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

- i. Besides the land specified above, the Company holds other leasehold land for which only ground rent is payable.
- ii. Buildings and Jetty include a Private Jetty having a gross block of ₹ 2411.45 lakhs (net block ₹ 120.57 lakhs), constructed by the Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The license period of 15 years from October 2000 has expired. During the year, the GMB has renewed the agreement for 10 years effective from November 01, 2015 and valid upto October 31, 2025.
- iii. The deductions under the gross block of Plant & Equipments, for the year ended March 31, 2018, include amount of ₹ 255.14 lakhs which is in respect of certain machineries held for disposal. The same is classified under other current assets in Note 13.
- iv. Plant and equipments include cost of service line of ₹ 33.20 lakhs (Previous Year: ₹ 33.20 lakhs), ownership of which is vested with Paschim Gujarat Vij Company Limited.
- v. Impairment of Assets:
 - a The Company had incurred an aggregate sum of ₹ 8107.17 lakhs (Previous Year: ₹ 8107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. During the year, spares of the value of ₹ 215.07 lakhs have been consumed resulting to closing balance of CWIP at ₹ 7892.10 lakhs.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
b Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	320.40	320.40
Employee Cost	144.56	144.56
Interest and Finance Cost	3,104.18	3,104.18
Traveling and Conveyance	227.48	227.48
Exchange Rate Fluctuation	42.43	42.43
Transportation Charges	19.96	19.96
Miscellaneous	59.97	59.97
	3,918.98	3,918.98

- c In the year 2005, due to several adversities, the project was suspended. However, the Company intends to install the assets at a later date, depending on market conditions. Therefore, considering utilisation of assets in future, the Expansion Project Assets have been valued by a project consultant. Based on the valuation report obtained from the project consultant, the aggregate provision for impairment as at March 31, 2019 is ₹ 4541.14 lakhs (Previous Year: ₹ 4541.14 lakhs) and no additional provision for impairment is considered for the year ended March 31, 2019.
- vi. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment pledged as security.

NOTES FORMING PART OF FINANCIAL STATEMENTS

				As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
3	Non-current Investments				
a) Investments measured at Cost:					
In Equity Instruments of Subsidiaries					
Unquoted (Fully paid equity shares)					
Face Value		No. of Shares			
₹ per share	Investee company	Current Year	Previous Year		
10	Agrima Consultants International Limited	404,100	404,100	180.36	180.36
-	Concorde Cement (Private) Limited	-	149,272	-	9.19
				180.36	189.55
				180.36	189.55
Less: Provision for impairment in value					
b) Investments measured at Fair Value through Other Comprehensive Income:					
In Equity Instruments of Others					
i) Quoted (Fully paid equity shares)					
10	MTZ (India) Limited	870,500	870,500	0.02	0.02
10	MTZ Polyfilms Limited	3,000,000	3,000,000	0.10	0.10
10	Dena Bank	200	200	0.03	0.04
10	Gujarat Sidhee Cement Limited	2,285,912	2,285,912	530.33	612.62
10	ACC Limited	1	1	0.02	0.02
2	Ambuja Cements Limited *	1	1	-	-
10	India Cement Limited *	1	1	-	-
5	JK Lakshmi Cements Limited *	1	1	-	-
10	Mangalam Cement Limited *	1	1	-	-
10	Prism Johnson Limited (Formerly Prism Cement Limited) *	1	1	-	-
10	Shree Digvijay Cement Co. Limited *	1	1	-	-
10	Ultratech Cement Limited	1	1	0.04	0.04
10	Zuari Agro Chemicals Limited *	1	1	-	-
10	Zuari Global Limited *	1	1	-	-
				530.54	612.84
* Each investment is less than ₹ 0.01 lakhs					
ii) Unquoted (Fully paid equity shares)					
50	Rajkot Nagrik Sahakari Bank Limited	2,001	2,001	1.00	1.00
10	Saraswat Co-op Bank Limited	2,500	2,500	0.25	0.25
				1.25	1.25
				531.79	614.09
				531.79	614.09
Aggregate Carrying Value of:					
Quoted investments				530.54	612.84
Unquoted investments				1.25	1.25
				531.79	614.09
				531.79	614.09
Aggregate Market Value of quoted investments				530.54	612.84



NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
4 Loans		
Considered Good - Unsecured		
Security Deposits	126.44	158.15
Loans to related party [Refer Note 11.1, 11.2 and 37.2(B)(i)(a)]	147.00	-
Staff Loans	8.49	13.17
	<u>281.93</u>	<u>171.32</u>
Loan Receivables - credit impaired		
Security Deposit for supply of Power	224.27	224.27
	<u>506.20</u>	<u>395.59</u>
Less : Provision for impairment	<u>224.27</u>	<u>224.27</u>
	<u>281.93</u>	<u>171.32</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
5 Other Financial Assets		
Fixed Deposits with Bank with maturity greater than 12 months (Held as Margin Money against Guarantees)	105.00	116.43
	<u>105.00</u>	<u>116.43</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
6 Other Non-current Assets		
Capital Advances	1,059.33	623.81
Advances other than Capital Advances		
Taxes Paid (Net of Provision of ₹ Nil, Previous Year: ₹ 1,811.52 lakhs)	793.14	523.94
Pre-deposit Balances with Statutory / Government Authorities against Appeals	134.33	120.66
Prepaid Expenses	24.03	18.11
	<u>2,010.83</u>	<u>1,286.52</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
7 Inventories		
Raw Materials (includes in transit of ₹ 0.79 lakhs, Previous Year: ₹ 291.59 lakhs)	728.85	1,188.64
Packing Materials	104.54	109.90
Work-in-progress	484.53	349.07
Finished Goods	1,019.76	862.54
Fuels (includes in transit of ₹ 3,367.44 lakhs, Previous Year: ₹ 1,509.77 lakhs)	4,023.41	1,945.85
Stores and Spare Parts (includes in transit of ₹ 5.26 lakhs, Previous Year: ₹ 28.54 lakhs)	1,480.42	1,172.77
	<u>7,841.51</u>	<u>5,628.77</u>

The cost of inventories recognised as an expense during the year is disclosed in Notes 27 and 28.

Value of inventories is stated after provision of ₹ 26.32 lakhs (Previous Year: ₹ Nil) in respect of write down to net realisable value. There has been no reversal of any write down in current and previous year.

For mode of valuation of inventories : Refer Note 1.9

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
8 Trade Receivables		
Considered good - Unsecured	1,580.27	1,894.49
Trade Receivables - credit impaired	14.13	15.58
	<u>1,594.40</u>	<u>1,910.07</u>
Less : Provision for impairment	14.13	15.58
	<u>1,580.27</u>	<u>1,894.49</u>
9 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	743.37	555.05
	<u>743.37</u>	<u>555.05</u>
10 Bank Balances other than Cash and Cash Equivalents		
Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
Held as Margin Money against Guarantees	900.54	1,027.81
Held as Security against Overdraft facilities	5,257.04	5,254.00
Others	1,125.00	1,294.00
	<u>7,282.58</u>	<u>7,575.81</u>
Earmarked Balances		
For Unpaid Dividend (Equity and Preference)	20.96	5.69
For Redemption of Preference Shares	0.34	0.64
For Money received on Issue of Debentures	-	0.14
	<u>21.30</u>	<u>6.47</u>
	<u>7,303.88</u>	<u>7,582.28</u>
11 Loans		
Considered good - Unsecured		
Loans to related party [Refer Note 37.2(B)(i)(a)]	-	178.14
Inter Corporate Loans	-	316.77
Staff Loans	11.74	14.33
	<u>11.74</u>	<u>509.24</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
11.1 Disclosure as per Regulations 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		
a. Loans and Advances in the nature of loans to subsidiary company:		
Name of the Subsidiary Company		
Agrima Consultants International Limited	147.00	178.14
b. Maximum amount outstanding during the year	180.00	186.14
c. The loanee has not made any investment in the shares of the Company		
11.2 Information on advances in the nature of loans given pursuant to Section 186(4) of the Companies Act, 2013		
a. Particulars of Loans given by Company		
Name of the Subsidiary Company	Rate of interest	
Agrima Consultants International Limited	9% p.a.	8.25
- The loans have been given for business activities of the subsidiary company.		-
- As legally advised, the provisions of Section 186 of the Companies Act, 2013 are not applicable to the loans given prior to the commencement of the Act and accordingly, the disclosure here-in-above is made in respect of loans given after 01.04.2014.		
b. Particulars of Investments - Refer Note 3 on Non-current Investments.		
c. There is no guarantee given or security provided by the Company.		
12 Other Financial Assets		
Interest accrued on Fixed Deposits	187.14	213.35
Interest accrued on Loan to related party [Refer Note 37.2(B)(i)(b)]	8.25	-
Others	3.88	5.78
	199.27	219.13
13 Other Current Assets		
Considered good - Unsecured		
Advances		
Balances with Statutory / Government Authorities	150.16	164.00
Advances Against Purchase of Stores and Spares	93.98	589.97
Prepaid Expenses	37.60	130.88
Travelling Advance Due from a Director [Refer Note 37.2(B)(ii)(c)]	6.23	1.31
Others	116.86	83.93
Non-current Asset held for Disposal [Refer Note 2(iii)]	34.59	271.88
	439.42	1,241.97
Considered Doubtful		
Advances Against Purchase of Stores and Spares	24.46	24.46
	463.88	1,266.43
Less : Provision for Doubtful advances	24.46	24.46
	439.42	1,241.97

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019		As at March 31, 2018	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
14 Equity Share Capital				
Authorised				
Equity Shares of ₹ 10 par value	195,000,000	19,500.00	195,000,000	19,500.00
		<u>19,500.00</u>		<u>19,500.00</u>
Issued				
Equity Shares of ₹ 10 par value	69,352,583	6,935.26	69,206,334	6,920.63
		<u>6,935.26</u>		<u>6,920.63</u>
Subscribed				
Equity Shares, of ₹ 10 par value				
Subscribed and Fully Paid Up	69,337,314	6,933.73	69,191,065	6,919.11
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)		<u>6,934.04</u>		<u>6,919.42</u>

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

	As at March 31, 2019		As at March 31, 2018	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares, of ₹ 10 par value				
At the beginning	69,191,065	6,919.11	69,191,065	6,919.11
Shares issued during the year on exercise of employee stock options	146,249	14.62	-	-
At the end	<u>69,337,314</u>	<u>6,933.73</u>	<u>69,191,065</u>	<u>6,919.11</u>

14.2 Rights, Preferences and Restrictions

Equity Shares

- The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.
- In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- In respect of share based payments granted to employees (Employee Stock Options), refer Note 40.

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

	As at March 31, 2019		As at March 31, 2018	
	Numbers	%	Numbers	%
Equity Shares				
Villa Trading Company Private Limited	13,658,167	19.70%	13,658,167	19.74%
Parsec Enterprises Private Limited	13,538,370	19.53%	13,538,370	19.57%
Samja Mauritius Limited	17,175,000	24.77%	17,175,000	24.82%



NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
15 Other Equity		
i. Share Application Money pending allotment	1.61	-
ii. Reserves and Surplus		
a. Capital Reserve	2,712.70	2,712.70
b. Capital Redemption Reserve	737.60	737.60
c. Securities Premium		
Balance as at the beginning of the year	10,566.71	10,566.71
Add: Transferred on exercise of Employee Stock Options	110.49	-
	10,677.20	10,566.71
d. Share Options Outstanding		
Balance as at the beginning of the year	106.71	-
Add: Share based payments to employees	703.91	106.71
Less: Employee Stock Options Exercised	(110.49)	-
Less: Employee Stock Options Lapsed	(7.63)	-
	692.50	106.71
e. General Reserve	5,786.29	5,786.29
f. Retained Earnings		
Balance as at the beginning of the year	17,923.31	12,506.43
Add/(Less) : Profit / (Loss) transferred from the Statement of Profit and Loss	(487.25)	6,250.65
Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	(34.62)	(1.00)
Less: Appropriations		
Dividend on Equity Shares	691.91	691.91
Dividend Distribution Tax	142.22	140.86
	16,567.31	17,923.31
iii. Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	(3,088.81)	(3,084.20)
Add/(Less): Movement during the year	(82.31)	(4.61)
	(3,171.12)	(3,088.81)
	34,004.09	34,744.51

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

a. Share application money pending allotment

It represents share application money received from employees on exercise of stock options for which allotment of shares is pending as at the year end.

b. Capital Reserve

It represents reserve created on capital receipt.

c. Capital Redemption Reserve

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

d. Securities Premium

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

e. Share Options Outstanding

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

f. General Reserve

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

g. Retained Earnings

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

h. Equity Instruments through Other Comprehensive Income

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

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	346.60	188.09	157.16	65.52
From Others	55.15	107.59	52.44	47.76
	<u>401.75</u>	<u>295.68</u>	<u>209.60</u>	<u>113.28</u>

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

16.1 Security and Repayment Terms:

- Term Loans are repayable in 36 to 60 equated monthly instalments carrying varied interest rates from 8% to 10% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.
- The Company's debt was restructured under Corporate Debt Restructuring (CDR) in 2005 and the restructured debt including Funded Interest Term Loan (FITL) has been fully repaid in the earlier years. One of the conditions of the restructuring was that the Lenders would have a Right of Recompense (ROR) as may be approved by the CDR Empowered Group (EG). Hon'ble BIFR has subsequently sanctioned a Rehabilitation Scheme for the Company which over rides all previous schemes and the same does not envisage payment of recompense. The Company has filed a Miscellaneous Application with the National Company Law Tribunal, Ahmedabad praying that directions be given to the CDR Lenders that no ROR is payable and to release all securities (in the form of mortgage in favour of the trustees on the company's immovable and movable properties, both, present and future, situated at Ranavav - Gujarat) including "HATHI" brand, personal guarantees and shares pledged by the promoters. The matter is pending before NCLT.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	967.51	896.87
Compensated absences	272.55	262.79
	<u>1,240.06</u>	<u>1,159.66</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
18 Deferred Tax (Assets) / Liabilities (Net)		
Deferred Tax Assets		
i. Provision for Impairment	1,586.85	1,586.85
ii. Provision for expenses allowable on cash basis	896.93	916.74
iii. Provision for Gratuity & Leave encashment	534.10	499.19
iv. Unused tax losses - Unabsorbed Depreciation	436.84	-
v. MAT Credit Entitlement	2,848.04	2,865.72
vi. Others	13.48	13.99
Total	6,316.24	5,882.49
Deferred Tax Liabilities		
i. Property, Plant and Equipment	6,127.81	5,918.73
Total	6,127.81	5,918.73
	(188.43)	36.24

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
19 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits *	-	-
Overdraft against lien of Bank Fixed Deposits	2,597.02	1,306.33
Unsecured		
Loan from related parties	-	0.05
	2,597.02	1,306.38

19.1 Security:

- * The Working Capital facilities are secured by first charge by way of hypothecation of current assets, namely stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movable properties, both, present and future. They are also secured by second mortgage and charge on the Company's immovable and movable properties, both, present and future, hypothecation of "Hathi" Brand, pledge of promoter shares and personal guarantee of two Directors of the Company.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
20 Trade Payables		
Due to Related Party [Refer Note 37.2(B)(iii)]	65.28	43.39
Due to Micro and Small enterprises	93.68	64.27
Due to Others	6,183.85	5,106.46
	6,342.81	5,214.12

20.1 Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :

i. Principal amount remaining unpaid	93.68	64.27
ii. Interest accrued on the above amount and remaining unpaid	-	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	-	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
21 Other Financial Liabilities		
Current Maturities of Long-term Borrowings		
Term Loans		
From Banks	157.16	65.52
From Others	52.44	47.76
	<u>209.60</u>	<u>113.28</u>
Unpaid Dividends	20.96	5.69
Unclaimed Share Application Money	-	14.48
Amounts Payable on Redemption of Preference Shares	0.35	0.64
Security Deposits from Customers / Transporters	1,042.89	964.58
Remuneration Payable to Key Managerial Personnel [Refer Note 37.2(B)(ii)(a&b)]	38.30	43.12
Liabilities for Expenses at the year-end	638.28	783.31
	<u>1,950.38</u>	<u>1,925.10</u>
22 Other Current Liabilities		
Statutory Dues	3,708.61	3,360.89
Advances from Customers	1,430.49	1,565.20
Advance against sale of Non-current Asset held for Disposal	25.00	185.00
Unearned Revenue	788.51	441.59
Others	88.31	82.41
	<u>6,040.92</u>	<u>5,635.09</u>
23 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	127.20	124.24
Compensated absences	161.19	144.66
	<u>288.39</u>	<u>268.90</u>
24 Current Tax Liabilities (Net)		
Provision for Taxation	-	999.45
Less: Taxes paid	-	960.49
	<u>-</u>	<u>38.96</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
25 Revenue from Operations		
Sale of Products	61,187.45	58,605.21
Other Operating Revenue	931.59	595.49
	62,119.04	59,200.70
25.1 Effective April 01, 2018, the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers", using the cumulative catch - up method and the comparative information is not restated. The Company is engaged into manufacturing of cement and clinker and on analysis of the Company's contracts with customers, it was determined that the adoption of this Standard did not have any impact on financial statements of the Company.		
	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
25.2 Revenue from Contracts with Customers		
A Revenue from contracts with customers disaggregated based on nature of products or services		
i Revenue from Sale of Products		
Cement	59,923.45	57,852.04
Clinker	1,264.00	753.17
	61,187.45	58,605.21
ii. Other Operating Revenue		
Sale of Power	412.33	219.21
Sale of Scrap	491.22	369.71
Export Entitlements	28.04	6.57
	931.59	595.49
	62,119.04	59,200.70
B Revenue from contracts with customers disaggregated based on geography		
i. Domestic	59,284.93	58,526.78
ii. Export	2,834.11	673.92
	62,119.04	59,200.70
25.3 Reconciliation of contract price with Revenue from Operations		
Contract price	62,913.05	60,579.38
Less: Discounts and Rate differences	1,360.86	1,584.45
Customer loyalty programme	16.36	73.26
Incentives and Schemes	348.38	316.46
Revenue from sale of products	61,187.45	58,605.21
Add: Other Operating Revenue	931.59	595.49
Revenue from Operations	62,119.04	59,200.70

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
26 Other Income		
Interest Income on		
Fixed Deposits with Banks	512.88	490.26
Receivable from Subsidiary [Refer Note 37.2(A)(ii)(b)]	8.25	-
Financial Assets measured at amortised cost	2.57	16.28
Others	4.68	6.00
	<u>528.38</u>	<u>512.54</u>
Dividend Income from Non-current Investments	0.04	0.08
Miscellaneous Income	163.59	153.01
Net Gain on Foreign Currency Transactions and Translation	17.37	76.30
Insurance Claims	22.99	99.07
Bad Debts Recovered	1.23	0.43
Provision for Doubtful Debts Written Back	1.45	138.91
Excess Provision Written Back	82.40	724.39
Trade / Other Payables Written Back	66.60	62.70
	<u>884.05</u>	<u>1,767.43</u>

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
27 Cost of Materials Consumed		
Raw Materials		
Opening Stock	1,188.64	938.67
Add: Purchases	3,907.10	3,350.60
	<u>5,095.74</u>	<u>4,289.27</u>
Less: Closing Stock	728.85	1,188.64
	<u>4,366.89</u>	<u>3,100.63</u>
Packing Materials		
Opening Stock	109.90	154.96
Add: Purchases	1,912.73	1,676.80
	<u>2,022.63</u>	<u>1,831.76</u>
Less: Closing Stock	104.54	109.90
	<u>1,918.09</u>	<u>1,721.86</u>
	<u>6,284.98</u>	<u>4,822.49</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
28 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress		
Stocks at the end		
Finished Goods - Cement	1,019.76	862.54
Work-in-progress - Raw Flour and Clinker	484.53	349.07
	1,504.29	1,211.61
Less: Stocks at the Beginning		
Finished Goods - Cement	862.54	572.89
Work-in-progress - Raw Flour and Clinker	349.07	513.27
	1,211.61	1,086.16
	(292.68)	(125.45)

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
29 Employee Benefits Expense		
[Refer Note 31.1 (a)]		
Salaries, Wages and Bonus	3,753.44	3,497.80
Share based payments to employees (Refer Note 40)	696.28	106.71
Contribution to Provident and Other Funds	241.80	245.87
Gratuity Expense	119.79	137.92
Staff Welfare Expenses	128.52	161.44
	4,939.83	4,149.74

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
30 Finance Costs		
Interest expense		
On Borrowings	256.94	161.92
On Duties and Taxes	92.82	84.29
On Others	123.95	94.47
	473.71	340.68
Other Borrowing Costs	0.62	1.20
	474.33	341.88

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
31 Other Expenses		
Stores and Spare Parts Consumed	3,695.13	3,452.51
Power and Fuel	21,111.64	15,883.32
Rent	247.40	266.90
Repairs and Maintenance		
Buildings	450.71	274.96
Machinery	2,238.42	2,054.05
Others	708.68	693.13
	3,397.81	3,022.14
Insurance	103.80	115.64
Rates and Taxes	74.65	67.73
Raw Material Handling Charges [Refer Note 31.1(a)]	638.62	548.57
Limestone / Marl Raising Charges [Refer Note 31.1(a)]	621.08	544.05
Royalty and Cess [Refer Note 31.1(a)]	1,797.75	1,688.20
Advertisement and Business Promotion Expenses	1,223.18	1,481.62
Freight and Handling Expenses	13,719.69	12,215.73
Cement Packing Expenses	700.63	741.54
Commission	1,025.75	945.94
Directors' Fees	33.80	34.50
Charity and Donation [Refer Note 31.1(b)]	12.33	214.50
Traveling and Conveyance	464.15	490.52
Legal and Professional Charges	491.03	421.47
Auditor's Remuneration		
Audit Fees	11.00	11.16
Tax Audit Fees	3.00	3.00
For Other Services	4.30	3.51
	18.30	17.67
Bad Debts written off	-	124.48
Loss on Sale of Property, Plant and Equipment (Net)	11.47	51.55
Corporate Social Responsibility (CSR) Expenditure [Refer Note 34]	81.93	88.36
Miscellaneous Expenses	1,333.46	1,121.57
Cost of Cement Self Consumed	(47.92)	(18.93)
	50,755.68	43,519.58
31.1 a. Employee Benefit Expense (Note 29) and Other Expenses (Note 31) as incurred on cost of raising and transporting limestone / marl are as under:		
Salaries, Wages and Bonus	130.74	134.37
Stores and Spare Parts Consumed	418.41	368.35
Repairs and Maintenance to Machinery	82.42	77.57
Raw Material Handling Charges	460.41	401.38
Limestone / Marl Raising Charges	621.08	544.05
Royalty and Cess	1,797.75	1,688.20
	3,510.81	3,213.92
b. Charity and Donation include donation of ₹ Nil (Previous Year: ₹ 200 lakhs) given to political parties.		



NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
32 Exceptional Items		
Profit on sale of land	319.72	-
	319.72	-
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
33 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax	2.09	2.09
ii. Excise Duty	1,370.44	856.72
iii. Service Tax	-	2.39
iv. Goods and Services Tax	0.74	-
v. Royalty	15.12	15.12
vi. Customs Duty	50.00	53.25
vii. Claims filed by workmen or their union against the Company	1.99	25.55
viii. On account of Power Supply	440.99	440.99
ix. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
x. Other demands and claims	44.66	82.69
b. Other money for which the Company is contingently liable; The impact / outcome of recompense clause as detailed in Note 16.1(ii), in respect of the restructured loans is presently unascertainable.		
Notes:		
i. The Company does not expect any reimbursement in respect of the above contingent liabilities.		
ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.		
iii. The amounts stated are including interest and penalty, to the extent demanded.		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 1059.33 lakhs, Previous Year: ₹ 623.81 lakhs) and not provided for.	1,413.21	1,962.99
b. Other Commitments	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
34 Corporate Social Responsibility (CSR)		
Gross amount required to be spent by the Company during the year	81.95	88.84
Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Vocational Training	-	5.12
Rural Development	14.16	22.78
Promoting Preventive Health Care, Environment and Sanitation	4.17	10.95
Education Promotion	63.60	49.51
	81.93	88.36

35 Employee benefits

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

35.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 241.80 lakhs (Previous Year: ₹ 245.87 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

35.2 Defined Benefit Plan: Gratuity

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

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

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

35.4 Risk to the Plan

i. Actuarial Risk:

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

ii. Liquidity Risk:

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

iii. Market Risk:

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

iv. Legislative Risk:

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

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
35.5 i. Changes in Present Value of Obligations:		
Present Value of Obligation at the beginning	1,035.97	1,010.20
Current Service Cost	39.94	40.39
Past Service Cost	-	36.27
Interest Cost	81.01	75.87
Actuarial (Gain) / Loss due to:		
- Change in Financial Assumptions	14.71	(13.56)
- Change in Demographic Assumptions	-	-
- Experience Changes	37.95	13.37
Benefits paid	(104.01)	(126.57)
Present Value of Obligation as at the end	1,105.57	1,035.97
ii. Changes in Fair Value of Plan Assets:		
Fair value of Plan Assets at the beginning	14.85	39.34
Expected return on Plan Assets	1.16	2.95
Contributions by the employer	99.42	100.84
Benefits paid	(104.01)	(126.56)
Return on plan assets excluding amounts included in interest income	(0.56)	(1.72)
Fair value of Plan Assets as at the end	10.86	14.85
iii. The amount recognised in Balance Sheet		
Gross value of Present Obligation at the end	1,105.57	1,035.97
Fair Value of Plan Assets at the end	10.86	14.85
Net Liability / (Asset) recognised in Balance Sheet	1,094.71	1,021.12
iv. Amount recognised in the Statement of Profit and Loss		
Current Service Cost	39.94	40.39
Past Service Cost	-	36.27
Interest Cost	81.01	75.87
Expected return on Plan Assets	(1.16)	(2.95)
Expenses Recognised in the Statement of Profit and Loss	119.79	149.58
v. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss:		
Change in Financial Assumptions	14.71	(13.56)
Change in Demographic Assumptions	-	-
Experience Changes	37.95	13.37
Return on plan assets excluding amounts included in interest income	0.56	1.72
Amount recognised in Other Comprehensive Income	53.22	1.53

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
vi. Category of Assets		
Insurer Managed Funds	10.86	14.85
vii. Maturity Profile of the Defined Benefit Obligation		
1 st Following Year (Within next 12 months)	234.12	174.72
2 nd Following Year	114.43	111.98
3 rd Following Year	172.95	144.60
4 th Following Year	134.16	158.00
5 th Following Year	169.29	121.44
Sum of Years 6 to 10	442.31	498.96
viii. Sensitivity Analysis for significant assumptions *		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	(40.81)	(41.20)
1% decrease in discount rate	44.80	45.22
1% increase in salary escalation rate	43.56	44.03
1% decrease in salary escalation rate	(40.33)	(40.79)
1% increase in employee turnover rate	5.98	6.92
1% decrease in employee turnover rate	(6.52)	(7.54)
ix. Assumptions		
Mortality Table - Indian Assured Life Mortality 2006-08		
Discount Rate	7.47%	7.82%
Rate of increase in compensation levels	5.00%	5.00%
Expected Return on Plan Assets	7.47%	7.82%
Attrition Rate	2.00%	2.00%
x. Weighted average duration of Defined Benefit Obligation	5 years	5 years
xi. The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.		
xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.		
xiii. Asset Liability matching strategy		
The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.		
The trustees of the plan have outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.		
There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity.		
* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		



NOTES FORMING PART OF FINANCIAL STATEMENTS

36 Segment Reporting

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

37 Related Party Disclosures

37.1 List of related parties:

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

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

ii. Subsidiary Companies:

Agrima Consultants International Limited

iii. Key Management Personnel:

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

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

Mrs. Narinder Kaur - Wife of Mr. M S Gilotra

v. Enterprise having Key Management Personnel in common:

Gujarat Sidhee Cement Limited

* Ceased to be director w.e.f. 08.03.2019

** Appointed w.e.f. 13.02.2019

NOTES FORMING PART OF FINANCIAL STATEMENTS

37.2 Transactions and Balances with related parties:

A Transactions with related parties:

i. Compensation paid to Key Management Personnel:

Key Management Personnel	For the year ended March 31, 2019 ₹ in lakhs		For the year ended March 31, 2018 ₹ in lakhs	
	Short-term employee benefits	Share-based payment	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a below)	297.89	-	227.51	-
Mr. M. S. Gilotra (Refer Note a and b below)	259.56	-	221.96	260.54
a. As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.				
b. The previous year amount represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.				

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
ii. Transactions with subsidiary company:		
a. Rent / Expenses reimbursements	15.50	15.54
b. Interest Income on loan	8.25	-
iii. Transactions with Key Management Personnel:		
a. Directors sitting fees	33.80	34.50
b. Dividend on Equity Shares	0.95	0.95
iv. Transactions with relatives of Key Management Personnel:		
a. Rent to Mrs. Narinder Kaur	-	1.50
b. Dividend on Equity Shares	37.21	37.21
v. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of goods and materials	1,868.62	722.97
b. Sale of goods and materials	-	29.59
c. Expenses / (Recovery) for services (net)	(76.12)	(20.09)

As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
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B Outstanding Balances as at the year-end

i. Balances with subsidiary company:

a. Loans receivable	147.00	178.14
b. Interest accrued but not due on loans	8.25	-

ii. Balances with Key Managerial Personnel:

a. Remuneration payable to Mr. M S Gilotra	16.23	21.18
b. Remuneration payable to Mr. Jay M Mehta	22.07	21.94
c. Travelling Advance to Mr. Jay M Mehta	6.23	1.31

iii. Balance with Gujarat Sidhee Cement Limited

Amount payable / (receivable)	65.28	43.39
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NOTES FORMING PART OF FINANCIAL STATEMENTS

C Terms and conditions of transactions and balances with related parties

- The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
- Outstanding balances at the year end are unsecured and interest free except amount receivable from Subsidiary Company, which carries interest rate @ 9% p.a. and settlement occurs in cash.
- There have been no guarantees provided or received for any related party transaction.
- For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

38 Capital Management:

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

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

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

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Total Debt (A)	3,208.37	1,715.34
Total Equity (B)	40,938.13	41,663.93
Debt Equity Ratio (A/B)	0.08	0.04

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
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39 Income Tax expense

39.1 Income tax expense recognised in the Statement of Profit & Loss:

i Current Income Tax

In respect of current year	-	999.45
Adjustments in respect of tax of earlier years	20.45	22.48
Total current income tax	20.45	1,021.93

ii Deferred Tax

In respect of current year origination and reversal of temporary difference	(223.75)	243.06
In respect of MAT credit entitlement	-	(822.85)
In respect of MAT credit entitlement of earlier years	17.68	(2,042.87)
Total Deferred Tax	(206.07)	(2,622.66)
Income Tax expense	(185.62)	(1,600.73)

39.2 Income tax charge / (credit) recognised in Other Comprehensive Income:

Deferred Tax

In respect of remeasurement gain (loss) of defined benefit plan	(18.60)	(0.53)
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39.3 Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:

Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	(18.60)	(0.53)
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NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
39.4 Reconciliation of Income Tax Expense with the accounting profit multiplied by Company's tax rate		
Accounting profit / (loss) before tax	(672.87)	4,649.92
Applicable Tax Rate *	34.944%	34.608%
Computed Tax Expense	(235.13)	1,609.24
Effect of non deductible items	143.29	299.15
Effect of deductible items	(345.02)	(532.07)
Effect of deductions under Chapter VI-A	-	(1,200.38)
Effect of unused tax losses	436.86	0.66
Adjustment of income tax of earlier year	20.45	22.48
Adjustment of MAT Credit entitlement of earlier years	17.68	(2,042.87)
Deferred tax adjustment	(223.75)	243.06
Tax Expenses recognised in Statement of Profit and Loss	(185.62)	(1,600.73)
Effective Tax Rate	27.59%	-34.42%
* Applicable Tax Rate has increased during the year due to discontinuance of Secondary and Higher Education Cess @ 3% and levy of Health and Education Cess @ 4% on Income Tax including Surcharge.		

40 Share Based Payments

40.1 Saurashtra Employee Stock Option Scheme 2017

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

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

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2019 Nos	Weighted average exercise price per option (₹)	As at March 31, 2018 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	1,633,253	10	-	-
Granted during the year	-	-	1,633,253	10
Exercised during the year	162,346	10	-	-
Forfeited / lapsed during the year	21,380	10	-	-
Outstanding at the end of the year	1,449,527	10	1,633,253	10
Options exercisable at the end of the year	409,309	10	-	-

The weighted average share price during the period of exercise of options was ₹ 44.88 per share, Previous Year: NA. Weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 3 years and 5 months (Previous Year: 4 years and 4.5 months)



NOTES FORMING PART OF FINANCIAL STATEMENTS

40.3 Fair Valuation

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

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

- i. Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
 - ii. Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
 - iii. Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)
 - iv. Dividend Yield : 1.15%
- * Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Statement of Profit and Loss is ₹ 696.28 lakhs (Previous Year: ₹ 106.71 lakhs).

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note No.	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	8	1,580.27	1,894.49
Loans	4 & 11	293.67	680.56
Cash and Bank Balances	9 & 10	8,047.25	8,137.33
Other Financial Assets	5 & 12	304.27	335.56
Financial Assets at fair value through Other Comprehensive Income:			
Investments	3	531.79	614.09
Total		<u>10,757.25</u>	<u>11,662.03</u>
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	16	401.75	295.68
Overdraft against lien of Bank Fixed Deposits	19	2,597.02	1,306.33
Loan from related parties	19	-	0.05
Trade payables	20	6,342.81	5,214.12
Other Financial Liabilities	21	1,950.38	1,925.10
Total		<u>11,291.96</u>	<u>8,741.28</u>

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

41.2 Fair Value Measurement

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

- Receivables are evaluated by the company based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.
- The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.

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

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

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

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

Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	530.54	612.84
Investments - Level 2	1.25	1.25
Total	531.79	614.09

There is no transfer between Level 1 and Level 2 during the year.

41.3 Financial Risk Management Framework:

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The sources of risks which the company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credit worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction, Financial asset and Liabilities not denominated in INR	There are no major foreign exchange transactions	Foreign exchange transaction are in the nature of current payment and effected at current exchange rate.
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, foreign exchange risk and commodity price risk in a fluctuating market environment. Financial instrument affected by market risks includes foreign currency receivables and payables.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Trade Advances		
GBP	20.02	3.62
Euro	-	7.35
SGD	5.45	-
Trade Payables		
GBP	-	2.30

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates only to the overdraft facility availed in INR against fixed deposits. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft facility against same to meet temporary fund requirement. The interest rate on overdraft facility is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated.

Interest rate exposure:

There is no significant interest rate risk as overdraft facility against fixed deposits have fixed margin over the interest rates of fixed deposits.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is

NOTES FORMING PART OF FINANCIAL STATEMENTS

defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

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

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as on March 31, 2019 is ₹ 1,594.40 lakhs, Previous Year: ₹ 1,910.07 lakhs.

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification. This is further substantiated by the fact that no bad debt has been written off during the current year and entire bad debt written off during the previous year was fully provided for in earlier years. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Opening Provision	15.58	154.49
Add: Provided during the year	-	-
Less: Utilised / written back during the year	1.45	138.91
Closing Provision	14.13	15.58

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs				
As at March 31, 2019	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	2,806.62	401.75	-	3,208.37
Trade payables	6,342.81	-	-	6,342.81
Other financial liabilities	1,740.78	-	-	1,740.78
₹ in lakhs				
As at March 31, 2018	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	1,419.66	295.68	-	1,715.34
Trade payables	5,214.12	-	-	5,214.12
Other financial liabilities	1,811.82	-	-	1,811.82



NOTES FORMING PART OF FINANCIAL STATEMENTS

42 Amalgamation of subsidiary companies

The Board of Directors of the Company had approved a scheme of amalgamation (the Scheme) of four wholly owned subsidiaries of the Company i.e. Pranay Holdings Limited, Prachit Holdings Limited, Reeti Investments Private Limited and Ria Holdings Limited with the Company at its meeting held on November 1, 2018. The Scheme has been approved by National Company Law Tribunal (NCLT) vide its order dated May 2, 2019. The Scheme is effective from appointed date i.e. 1st April 2018. As per the Scheme,

- the Company's investment in Equity Shares of subsidiary companies stands canceled in the books of the company and no Equity Shares have been allotted,
- the Company has accounted for amalgamation of Subsidiary Companies in its books of accounts with effect from the appointed date as per the "Pooling of Interest Method", as prescribed in Indian Accounting Standard (Ind AS) 103: "Business Combination" specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act') as applicable. As per Ind AS 103, the Company and Subsidiaries are commonly controlled entities. Therefore the financial statements of the Company are restated as if the business combination had occurred from the beginning of the preceding period i.e. from April 01, 2017 for the purpose of disclosure,
- All assets and liabilities of Subsidiaries are transferred to the company in the same form as appearing in the books of Subsidiaries. Reserves of Subsidiaries are taken over at same value and with same nomenclature.

The details of Assets and liabilities are given below:

	PRANAY HOLDINGS LIMITED		PRACHIT HOLDINGS LIMITED		RIA HOLDINGS LIMITED		REETI INVESTMENTS PRIVATE LIMITED	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
ASSETS								
NON-CURRENT ASSETS								
(a) Financial Assets								
(i) Investments	198.35	199.83	199.04	200.51	198.99	200.47	16.34	16.46
(b) Other Non Current Assets	7.28	7.21	5.72	5.72	13.35	13.32	0.58	0.58
SUB-TOTAL	205.63	207.04	204.76	206.23	212.34	213.79	16.92	17.04
CURRENT ASSETS								
(a) Financial Assets								
(i) Cash and Cash Equivalents	1.00	2.09	0.24	0.27	0.91	1.96	0.25	0.19
(ii) Loans	110.75	110.21	106.45	106.45	100.65	100.12		
(b) Other Current Assets	0.79	0.79	0.87	0.87	0.65	0.65		
SUB-TOTAL	112.54	113.09	107.56	107.59	102.21	102.73	0.25	0.19
TOTAL ASSETS	318.17	320.13	312.32	313.82	314.55	316.52	17.17	17.23
EQUITY AND LIABILITIES								
EQUITY								
(a) Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	400.00	400.00
(b) Other Equity	(681.95)	(680.06)	(691.07)	(689.01)	(685.51)	(683.60)	(424.86)	(424.25)
SUB-TOTAL	318.05	319.94	308.93	310.99	314.49	316.40	(24.86)	(24.25)
LIABILITIES								
CURRENT LIABILITIES								
(a) Financial Liabilities								
(i) Borrowings	-	-	3.33	2.71	-	-	41.98	41.37
(ii) Trade Payables	0.12	0.19	0.06	0.12	0.06	0.12	0.05	0.11
SUB-TOTAL	0.12	0.19	3.39	2.83	0.06	0.12	42.03	41.48
TOTAL EQUITY AND LIABILITIES	318.17	320.13	312.32	313.82	314.55	316.52	17.17	17.23

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
43 Earnings Per Share		
Weighted average number of equity shares of ₹ 10 each		
No. of shares issued on exercise of Stock Options	146,249	-
Number of Days in the current year for the above shares issued	7	-
Weighted average number of shares issued on exercise of Stock Options	2,805	-
Balance at beginning of year	69,191,065	69,191,065
Weighted average number of equity shares of ₹ 10 each	69,193,870	69,191,065
Net Profit / (Loss) for the year	(487.25)	6,250.65
Basic earnings per share (in ₹)	(0.70)	9.03
Equity Shares to be allotted in future against grant of options to Employees under Employee Stock Option Scheme (ESOS) 2017	14,49,527 *	16,33,253 **
Diluted earnings per share (in ₹)	(0.70)	9.03
* As the Company has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.		
** These Equity Shares could potentially dilute basic earnings per share (EPS) in the future but are not included in the calculation of diluted EPS because they are anti-dilutive for the year.		

44 Previous year figures have been recasted / restated where necessary.

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

K C Patel

Partner

Membership No. 30083

Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

M. N. Mehta

Chairman

Jay M. Mehta

Executive Vice-Chairman

M. N. Rao

Director

M. S. Gilotra

Managing Director

Rakesh Mehta

Chief Financial Officer

Sonali Sanas

Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 25, 2019



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Saurashtra Cement Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Saurashtra Cement Limited ('the Company'), and its subsidiary (the Holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group, as at March 31, 2019, of consolidated loss, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Key Audit Matter	How was the matter addressed in our audit
Recognition of Deferred Tax Assets The Company has recognized Deferred Tax Assets on the unused tax losses and unused tax credit (MAT Credit entitlement) which involves significant judgement to determine whether there will be probability of taxable income against which the tax losses will be realized or tax credit will be utilized. We have considered this matter to be key audit matter considering the significant judgement involved in estimating future taxable income against which such assets can be realized within allowed time frame. Refer Note 18 to the Consolidated Financial Statements.	Our audit procedures include the following substantive procedures: - Obtained details of completed tax assessments up to year ended March 31, 2019 from management. - We involved our internal experts to review management's underlying assumptions in estimating the tax provision - Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax provisions. - We evaluated the projections of profitability and key assumptions used in projections by comparing them to approved business plan by the management on the basis of which it is considered that the company will have sufficient taxable income against which the tax losses will be realized or tax credit will be utilized. - Verified that recognition of such assets is made in accordance with Ind AS 12 "Income Taxes."

Key Audit Matter	How was the matter addressed in our audit
Uncertain tax position under Indirect Tax Laws The Company has material tax litigations pending under various indirect tax laws. The litigation involves significant judgement to determine the possible outcome based on which accounting treatment is given to the disputed amount. We have considered these matters to be key audit matter given the magnitude of potential outflow of economic resources and uncertainty of potential outcome. Refer Notes 22 & 33 to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: - Obtained the details of uncertain tax position and gained understanding thereof. - Read and analyzed relevant communication with the authorities and legal consultants. - We have perused the opinion of legal consultant obtained by the management on possible outcome of the litigation. - Discussed with senior management and evaluated management's assumptions regarding provisions made. - Verified that accounting treatment / disclosure in respect of pending litigations is in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
Impairment of Capital Work in Progress (CWIP) The Company has incurred the expenditure of ₹ 8,107.17 Lakhs on expansion project in earlier years. The expenditure comprised of cost of imported plant & machineries (including related stores and spares), civil work and pre-operative expenses (including interest capitalized). The amount is shown under Capital Work in Progress. The project was suspended in the year 2005. However, the company intends to install the assets at a later date, depending upon the market condition. Considering this, the valuation of assets has been done by obtaining report of project consultant. Based on the valuation report aggregate provision of ₹ 4,551.14 Lakhs up to March 31, 2019 has been made for impairment of the said assets. We have considered this matter to be key audit matter considering the significant judgement involved in valuation of assets for the purpose of determining Impairment. Refer Note 2 to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: - Obtained the details of assets and expenditure incurred in respect of expansion project. - Carried out physical verification of the assets and assessed their condition. - Discussed with senior management about their plan for utilization of the assets at a later date. - Assessed the valuation expert's competency and objectivity; - Perused the valuation report of the valuation expert and reviewed methods and underlying assumptions on the basis of which valuation has been made. - Verified the working of the amount of provision made for impairment of the assets. - Verified that accounting treatment / disclosure in respect of impairment of assets is in accordance with Ind AS 36 "Impairment of Assets".
Rebates, Discounts and Incentives to customers The Company sells its products through various channels such as dealers and commission agents (customers) and provides rebates / discounts as well as recognises liabilities related to incentives payable to them under various marketing schemes. As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and is stated net of rebates, discounts and incentives. Rebates, discounts and incentives are administered through various schemes. So far as incentives are concerned, for determination of revenue, the management is required to make significant estimates in respect of the followings: - The incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company; - Benefits offered by the dealers to the ultimate consumers is also considered on behalf of the company. The amount of rebates and discounts are material items and incentives involve significant estimates by the management. Hence the matter has been considered to be a key audit matter. Refer Note 22 to the Consolidated Financial Statements.	Our audit procedures include the following substantive procedures: - Obtained an understanding from the management with regard to controls relating to recording of incentives and period end outstanding value of performance obligations and tested the operating effectiveness of such controls. - Tested the inputs used in the estimation of revenue in context of incentives. - Ensured the completeness of liabilities recognised by evaluating the parameters for the schemes. - Analyzed past trends by comparing actuals with the estimates of earlier periods. - Verified that rebates, discounts and incentives are appropriately authorized. - Verified that accounting treatment is in accordance with Ind AS 115 "Revenue from Contracts with Customers".



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Other Matters

We did not audit the financial statements of the subsidiary whose Financial Statements include total assets of ₹ 47.65 Lakhs and net assets of ₹(111.03) Lakhs as at March 31, 2019 and total revenue of ₹ 25.22 lakhs and net cashflow of ₹ 5.57 Lakhs for the year ended on that date. These financial statements, other financial information and auditor's report have been furnished to us by the management of the company.

Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 33 to the consolidated financial statements.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended March 31, 2019.

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

Place: Mumbai
Date: May 25, 2019

(K C Patel)
Partner
Membership No. 30083



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of Saurashtra Cement Limited (hereinafter referred to as "Company") and its subsidiary company, which is company incorporated in India, as of that date, as of and for the year ended March 31, 2019, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which is company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Manubhai & Shah LLP**

Chartered Accountants

ICAI Firm Registration No. 106041W /W100136

(K C Patel)

Partner

Membership No. 30083

Place: Mumbai

Date: May 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	34,847.96	33,390.05
(b) Capital Work-in-Progress	2	3,701.99	4,330.00
(c) Intangible Assets	2	12.83	7.23
(d) Financial Assets			
(i) Investments	3	532.04	614.36
(ii) Loans	4	150.73	186.87
(iii) Other Financial Assets	5	105.00	116.43
(e) Deferred Tax Assets (Net)	18	188.43	-
(f) Other Non-Current Assets	6	2,024.65	1,300.11
SUB-TOTAL		41,563.63	39,945.05
CURRENT ASSETS			
(a) Inventories	7	7,841.51	5,628.77
(b) Financial Assets			
(i) Trade Receivables	8	1,580.27	1,894.49
(ii) Cash and Cash Equivalents	9	760.04	566.13
(iii) Bank Balances other than (ii) above	10	7,303.88	7,582.28
(iv) Loans	11	11.74	363.41
(v) Other Financial Assets	12	191.02	219.13
(c) Other Current Assets	13	439.78	1,242.29
SUB-TOTAL		18,128.24	17,496.50
TOTAL ASSETS		59,691.87	57,441.55
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	6,934.04	6,919.42
(b) Other Equity	15	33,893.07	34,638.36
SUB-TOTAL		40,827.11	41,557.78
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	401.75	295.68
(b) Provisions	17	1,240.06	1,159.66
(c) Deferred Tax Liabilities (Net)	18	-	36.24
SUB-TOTAL		1,641.81	1,491.58
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	2,597.02	1,306.38
(ii) Trade Payables	20	93.68	64.27
- Total Outstanding dues of Micro Enterprises and Small Enterprises		6,252.56	5,153.30
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises			
(iii) Other Financial Liabilities	21	1,950.38	1,925.10
(b) Other current liabilities	22	6,040.92	5,635.28
(c) Provisions	23	288.39	268.90
(d) Current Tax Liabilities (Net)	24	-	38.96
SUB-TOTAL		17,222.95	14,392.19
TOTAL EQUITY AND LIABILITIES		59,691.87	57,441.55
Significant Accounting Policies and Notes are an integral part of the Financial Statements			
		1 to 44	

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019



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

	Note No.	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
Revenue from Operations	25	62,119.04	59,200.70
Other Income	26	889.02	1,771.28
Total Income		63,008.06	60,971.98
Expenses			
(a) Cost of Materials Consumed	27	6,284.98	4,822.49
(b) Excise Duty on sale of goods		-	1,835.67
(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(292.68)	(125.45)
(d) Employee Benefits Expense	29	4,939.83	4,149.74
(e) Finance Costs	30	474.33	341.88
(f) Depreciation and Amortisation Expenses	2	1,833.54	1,774.30
(g) Other Expenses	31	50,765.65	43,527.81
Total Expenses		64,005.65	56,326.44
Profit / (Loss) before Exceptional Items and tax		(997.59)	4,645.54
Exceptional Items	32	319.72	-
Profit / (Loss) before tax		(677.87)	4,645.54
Tax Expense	39		
(a) Current tax		-	999.45
(b) Relating to previous years		20.32	22.48
(c) Deferred tax		(206.07)	(2,622.66)
Total Tax Expense		(185.75)	(1,600.73)
Profit / (Loss) for the year		(492.12)	6,246.27
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan		(53.22)	(1.53)
(b) Effect of measuring Equity Instruments on Fair Value		(82.31)	(4.61)
(c) Income tax on (a) & (b)		18.60	0.53
Total Other Comprehensive Income for the year (net of tax)		(116.93)	(5.61)
Total Comprehensive Income for the year		(609.05)	6,240.66
Earnings per Equity Share of Face Value of ₹ 10 each :			
(a) Basic (₹ per share)	43	(0.71)	9.03
(b) Diluted (₹ per share)	43	(0.71)	9.03
Significant Accounting Policies and Notes are an integral part of the Financial Statements			

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019

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

A. EQUITY SHARE CAPITAL

Balance as at April 01, 2017	Changes in Equity Share Capital during the year 2017-18	Balance as at March 31, 2018	Changes in Equity Share Capital during the year 2018-19	Balance as at March 31, 2019
6,919.11	-	6,919.11	14.62	6,933.73

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Options Outstanding	General Reserve	
Balance at the beginning of the Reporting Period i.e. As at April 01, 2017	-	2,712.70	737.60	10,566.71	-	5,786.29	29,123.76
Profit for the year	-	-	-	-	-	-	6,246.27
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(4.61)
Total Comprehensive Income for the year	-	-	-	-	-	-	(1.00)
Dividend on Equity Shares	-	-	-	-	-	-	6,245.27
Dividend Distribution Tax	-	-	-	-	-	-	(691.91)
Share based payments to employees	-	-	-	-	106.71	-	(140.86)
Balance at the end of the Reporting Period i.e. As at March 31, 2018	-	2,712.70	737.60	10,566.71	106.71	5,786.29	34,638.36
Balance at the beginning of the Reporting Period i.e. As at April 01, 2018	-	2,712.70	737.60	10,566.71	106.71	5,786.29	34,638.36
Loss for the year	-	-	-	-	-	-	(492.12)
Effect of measuring Equity Instruments on Fair Value	-	-	-	-	-	-	-
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(82.31)
Total Comprehensive Income for the year	-	-	-	-	-	-	(34.62)
Dividend on Equity Shares	-	-	-	-	-	-	(82.31)
Dividend Distribution Tax	-	-	-	-	-	-	(609.05)
Share Application Money received on exercise of Employee Stock Options, pending allotment	1.61	-	-	-	-	-	(691.91)
Share based payments to employees	-	-	-	-	-	-	(142.22)
Employee Stock Options exercised during the year	-	-	-	110.49	703.91	-	1.61
Employee Stock Options lapsed during the year	-	-	-	-	(110.49)	-	-
Balance at the end of the Reporting Period i.e. As at March 31, 2019	1.61	2,712.70	737.60	10,677.20	692.50	5,786.29	33,893.07

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

K C Patel

Partner

Membership No. 30083

Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

M. N. Mehta

Chairman

Jay M. Mehta

Executive Vice-Chairman

M. N. Rao

Director

M. S. Gilotra

Managing Director

Rakesh Mehta

Chief Financial Officer

Sonali Sanas

Sr. Vice President (Legal) & Company Secretary

Mumbai, Dated May 25, 2019



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

	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(677.87)	4,645.54
Adjustments for :		
Add: Finance Costs	470.38	341.88
Loss on Sale of Property, Plant and Equipment	11.47	51.55
Property, Plant and Equipment Written off	1.75	-
Bad Debts Written off	-	124.48
Fair Value changes	2.57	3.01
Provision for Leave & Gratuity Expenses	46.67	64.82
Share-based Payments to Employees	696.28	106.71
Depreciation and Amortisation Expense	1,833.54	1,774.30
	3,062.66	2,466.75
Less: Interest Income	(515.42)	(493.32)
Dividend Income	(0.09)	(0.15)
Exceptional items	(319.72)	-
Excess Provision and Trade / Other Payables Written Back	(149.69)	(791.21)
Provision for Doubtful Debts Written Back	(1.45)	(138.91)
	(986.37)	(1,423.59)
Operating Profit before Working Capital changes	1,398.42	5,688.70
Adjustments for increase / decrease in:		
Trade Payables, Financial Liabilities and Other Current Liabilities	1,674.55	39.58
Long-term Loans and Other Non-Current Assets	16.54	99.85
Inventories	(2,212.74)	210.57
Trade Receivables	315.67	(429.25)
Short-term Loans, Financial Assets and Other Current Assets	602.03	241.05
	396.05	161.80
Cash Generated from Operations	1,794.47	5,850.50
Add: Direct Taxes (Payments) / Refunds	(328.70)	(924.66)
Net Cash Generated from Operating Activities	1,465.77	4,925.84
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,148.56)	(3,143.20)
Proceeds from Sale of Property, Plant and Equipment	30.78	84.72
Proceeds from Sale of Non-Current Asset held for disposal	397.01	-
(Increase) / Decrease in Bank Deposits	289.83	(1,155.95)
Interest income on Bank Deposits	539.08	476.70
Repayment received against Inter Corporate Loans given	316.77	-
Dividend Income	0.09	0.15
Net Cash used in Investing Activities	(1,574.99)	(3,737.58)

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

	For the Year ended March 31, 2019 ₹ in lakhs	For the Year ended March 31, 2018 ₹ in lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money received on exercise of Employee Stock options	16.23	-
Proceeds from Long-term Borrowings	359.22	219.38
Repayment of Long-term Borrowings	(156.83)	(74.99)
Short-term Borrowings (Net)	1,290.64	(155.68)
Finance Costs Paid	(387.27)	(341.88)
Dividend Paid	(676.64)	(691.91)
Dividend Distribution Tax Paid	(142.22)	(140.86)
Net Cash used in Financing Activities	303.13	(1,185.94)
Net increase in Cash and Cash Equivalents	193.91	2.32
Cash and Cash Equivalents at the beginning of the year	566.13	563.81
Cash and Cash Equivalents at the end of the year (Refer Note 9)	760.04	566.13

Notes:

1 Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows", as notified under the Companies (Accounting Standards) Rules, 2006, as the same are applicable in terms of the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2 Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"

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

				₹ in lakhs
For the year ended March 31, 2019	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings	1,306.38	1,290.64	-	2,597.02
Long Term Borrowings (including Current maturities)	408.96	202.39	-	611.35
Bank Balances other than Cash and Cash Equivalents	7,698.71	289.83	-	7,408.88

3 Figures in bracket indicates cash outflows.

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies:

A Company Overview:

Saurashtra Cement Limited (the Holding Company) is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Ranavav, Gujarat, India. The Holding Company is engaged in the business of manufacturing and selling of Cement.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for publication on May 25, 2019.

B Principles of Consolidation:

- i. These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS 110 - Consolidated Financial Statements, specified under Section 133 of the Companies Act, 2013.
- ii. The financial statements of the Holding Company and its Subsidiary ("the Group") have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii. As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate Financial Statements.
- iv. The excess of cost to the Holding Company of its investment in the Subsidiary is recognised in the Consolidated Financial Statements as goodwill and the goodwill is amortised over a period of 10 years commencing from the date from which it arises.

C Subsidiary considered in the Consolidated Financial Statements is:

No.	Name of the Company	Country of Incorporation	Parent's holding as at March 31, 2019	Parent's holding as at March 31, 2018	Financial Year ends
i.	Agrima Consultants International Limited	India	100.00%	100.00%	March 31

D Significant Accounting Policies

1.1 Statement of Compliance:

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

1.2 Basis of Preparation and Presentation:

a) Basis of Preparation:

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

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

b) Functional and Presentation Currency:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- ii. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle as twelve months for the purpose of Current/ Non-current classification of its Assets and Liabilities.
- iii. An asset is classified as Current when:
 - It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is expected to be realised within twelve months after the reporting period; or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as Non-current.
- iv. A liability is classified as Current when:
 - It is expected to be settled in normal operating cycle; or
 - It is held primarily for the purpose of trading; or
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

1.3 Property, Plant and Equipment (PPE):

- i. The Group had adopted the cost model as its accounting policy for all its PPE and accordingly, the same are carried at its cost less any accumulated depreciation and/or any accumulated impairment loss. An item of PPE is recognised as an asset, if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- ii. Items such as spare parts, stand-by equipment and servicing equipment are recognised under PPE, if those meet the definition thereof and are material, else, such spare parts, etc. are classified as inventory.
- iii. The cost comprises of - purchase price (net of recoverable GST / CENVAT / value added tax / other taxes / subsidy etc.), including import duties, other non-recoverable taxes and any cost incurred directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iv. Items of PPE, which are not yet ready to be capable of operating in the manner intended by management are carried at cost (unless impaired) and are disclosed as "Capital Work-in-progress". Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress. The same is allocated to the respective items of PPE on its completion for satisfactory commercial commencement.

1.4 Depreciation / Amortisation:

- i. Depreciation on PPE is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation (other than Jetty and Premium on Leasehold Land) is provided on the "Straight-line Method" as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment. The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the change is recognised in the Consolidated Statement of Profit and Loss with appropriate disclosure thereof.
- ii. Where the cost of a part of the asset which is significant to the total cost of the asset and the useful life of that part is different from the useful life of the remaining asset, the Group has determined the useful life of that significant part separately ("Component Accounting"). However, if the useful life of the identified part is higher than the useful life of the related items of PPE, the life of such identified part is restricted upto the life of the related items of PPE. The Group has adopted such basis for the purpose of providing depreciation as per the useful life of tangible items of PPE.
- iii. Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and from the date, the asset is derecognised.
- iv. Premium on leasehold land of long lease duration is not amortised, being not material.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.5 Non-current Assets held for sale:

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

1.6 Intangible Assets:

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

1.7 Assets acquired on Lease:

Assets acquired under leases where a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

1.8 Impairment of Non-financial Assets:

- i. The Group, at the end of each reporting period, assesses the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss, if any.
- ii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
- iv. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

Inventories are valued as follows:

- i. Raw materials, Fuels, Stores and spare parts and Packing materials - At cost or net realisable value, whichever is lower. Cost is derived on moving weighted average basis.
- ii. Work-in-progress (WIP), Finished goods and Stock-in-trade - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

1.10 Revenue and Income Recognition :

A Revenue from Contracts with Customers

- i. Revenue from contracts with customers for sale of goods is recognised when the Group satisfies performance obligation by transferring promised goods to the customer at an amount that reflects the consideration which the Group is expected

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

to be entitled to in exchange for those goods. Performance obligations are satisfied at a point in time, i.e. when the customer obtains control of the goods on its receipt.

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

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

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

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

B Other Operating Revenue - Export entitlement

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

C Income Recognition

- i. Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- ii. Dividend income from investments is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.
- iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

1.11 Foreign Currency Transactions:

- i. Transactions in foreign currency (Monetary or Non-monetary items) are recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items (i.e. receivables, payables, loans etc.), which are denominated in foreign currency are translated at the spot rates of exchange of functional currency at the reporting date.
- iii. Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- iv. Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expense in the Consolidated Statement of Profit and Loss for the period in which they arise.

1.12 Employee share based payments:

- i. Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.
- ii. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.
- iii. At the end of each reporting period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
- iv. The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

1.13 Employee Benefits:

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- ii. **Defined benefit plan - Gratuity:** In accordance with applicable Indian Laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Holding Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Consolidated Balance Sheet date, carried out by an Actuary. The Holding Company has an employees gratuity fund managed by the Life Insurance Corporation of India (LIC).

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

Past service costs are recognised in the Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment and
 - The date when the Holding Company recognises related restructuring costs
- iii. **Compensated Absences:** As per policy of the Holding Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Holding Company records an obligation for compensated absences in the year in which the employees render the services that increases this entitlement. The Holding Company measures the expected cost of compensated absences as the additional amount that the Holding Company expects to pay as a result of the unused entitlement that has accumulated at the Consolidated Balance Sheet date on the basis of an Actuarial valuation. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

1.14 Borrowing Costs:

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

1.15 Segment Reporting:

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

1.16 Taxation:

i. Current tax:

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

ii. Deferred tax:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

1.17 Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- ii. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- iii. Contingent assets are neither recognised nor disclosed.

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

1.18 Financial Instruments:

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

Initial recognition and measurement:

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

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

- Financial Assets at amortised cost
 - Equity investments measured at fair value through Other Comprehensive Income (FVTOCI)
- iii. Debt instruments at amortised cost:
A debt instrument is measured at the amortised cost if both the following conditions are met:
 - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
 - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and loss.
 - iv. Equity investments:

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Group has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

v. Derecognition:

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

vi. Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, bank balance etc.
- b) Financial assets that are equity instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However if credit risk has increased significantly, lifetime ECL is used.

vii. Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other current liabilities.

viii. Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

ix. Derecognition:

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

x. Offsetting of financial instruments:

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

1.19 Fair Value Measurement:

- i. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions regardless of whether that price

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
 - In the absence of a principal market, in the most advantageous market for the asset or liability
- ii. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
 - iii. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
 - iv. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
 - Level 1 - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.
 - Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.
 - Level 3 - If the lowest level input that is significant to the fair value measurement is not based on observable market data.
 - v. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

1.20 Cash and Cash Equivalents:

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

1.21 Earnings Per Share:

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

1.22 Standards issued but not yet effective:

i. Ind AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Consolidated Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Group has evaluated the effect of this on the financial statements and the impact is not material.

E Critical accounting judgements, estimates and assumptions:

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

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Useful Lives of Property, Plant and Equipment:

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

ii. Fair value measurement of financial instruments:

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

iii. Recoverability of trade receivable:

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

iv. Defined benefit plans:

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

v. Provisions:

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

vi. Share-based payments:

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lakhs

	Gross Block			Depreciation, Amortisation and Impairment			Net Block	
	As at April 01, 2018	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2019	For the Year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018
Tangible Assets								
Freehold land	11,236.77	-	-	11,236.77	-	-	11,236.77	11,236.77
Leasehold land [Refer Note (ii)]	0.09	-	-	0.09	-	-	0.09	0.09
Buildings and Jetty [Refer Note (iii)]	7,865.61	230.55	-	8,096.16	144.82	-	4,243.20	4,157.47
Plant and equipments [Refer Note (iv)]	43,222.01	2,606.75	6.52	45,822.24	1,251.44	4.05	16,975.26	15,622.42
Furniture and Fixtures	1,643.21	219.15	5.45	1,856.91	115.12	5.22	895.13	791.33
Vehicles	2,077.15	90.48	102.72	2,064.91	176.60	66.97	944.22	1,066.09
Office equipments	962.53	182.62	91.46	1,053.69	131.21	86.91	430.96	384.10
Railway siding, weighbridge, rolling stock and locomotives	256.80	-	-	256.80	9.45	-	122.33	131.78
Total Tangible Assets	67,264.17	3,329.55	206.15	70,387.57	1,828.64	163.15	34,847.96	33,390.05
Intangible Assets								
Other than internally generated								
Goodwill	95.27	-	-	95.27	-	-	-	-
Computer softwares	265.11	11.50	35.83	240.78	4.90	34.83	12.83	7.23
Total Intangible Assets	360.38	11.50	35.83	336.05	4.90	34.83	12.83	7.23
Capital Work-in-Progress								
Tangible Capital WIP	8,871.14	1,435.18	2,063.19	8,243.13	-	-	3,701.99	4,330.00
[Refer Note (v)]								
Total Assets	76,495.69	4,776.23	2,305.17	78,966.75	1,833.54	197.98	38,562.78	37,727.28

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment (Contd.)

₹ in lakhs

	Gross Block			Depreciation, Amortisation and Impairment			Net Block
	As at April 01, 2017	Additions / Deductions / Adjustments	As at March 31, 2018	As at April 01, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018
Tangible Assets							
Freehold land	11,236.77	-	11,236.77	-	-	-	11,236.77
Leasehold land [Refer Note (ii)]	0.09	-	0.09	-	-	-	0.09
Buildings and Jethy [Refer Note (iii)]	6,935.42	942.16	7,865.61	3,602.01	117.50	11.37	4,157.47
Plant and equipments [Refer Note (iii and iv)]	41,801.67	1,694.11	43,222.01	26,701.58	1,136.26	238.25	15,622.42
Furniture and Fixtures	1,586.40	347.55	1,643.21	1,009.45	108.08	265.65	791.33
Vehicles	1,946.77	324.67	2,077.15	938.96	166.66	94.56	1,066.09
Office equipments	896.59	168.75	962.53	573.20	98.89	93.66	384.10
Railway siding, weighbridge, rolling stock and locomotives	272.48	-	256.80	130.46	9.45	14.89	131.78
Total Tangible Assets	64,676.19	3,477.24	67,264.17	32,955.66	1,636.84	718.38	33,390.05
Intangible Assets							
Other than internally generated							
Goodwill	95.27	-	95.27	95.27	-	-	-
Computer softwares	271.52	2.23	265.11	251.10	15.42	8.64	7.23
Total Intangible Assets	366.79	2.23	360.38	346.37	15.42	8.64	7.23
Capital Work-in-Progress							
Tangible Capital WIP [Refer Note (v)]	9,207.43	361.29	8,871.14	4,419.10	122.04	-	4,330.00
Total Assets	74,250.41	3,840.76	76,495.69	37,721.13	1,774.30	727.02	37,727.28

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- i. Besides the land specified above, the Holding Company holds other leasehold land for which only ground rent is payable.
- ii. Buildings and Jetty include a Private Jetty having a gross block of ₹ 2411.45 lakhs (net block ₹ 120.57 lakhs), constructed by the Holding Company under the license to use agreement with Gujarat Maritime Board (GMB) on the land provided by them. The license period of 15 years from October 2000 has expired. During the year, the GMB has renewed the agreement for 10 years effective from November 01, 2015 and valid upto October 31, 2025.
- iii. The deductions under the gross block of Plant & Equipments, for the year ended March 31, 2018, include amount of ₹ 255.14 lakhs which is in respect of certain machineries held for disposal. The same is classified under other current assets in Note 13.
- iv. Plant and equipments include cost of service line of ₹ 33.20 lakhs (Previous Year: ₹ 33.20 lakhs), ownership of which is vested with Paschim Gujarat Vij Company Limited.
- v. Impairment of Assets:
 - a The Holding Company had incurred an aggregate sum of ₹ 8107.17 lakhs (Previous Year: ₹ 8107.17 lakhs) towards Expansion Project Assets and shown the same under Capital Work-in-progress (CWIP). The expenditure includes cost of imported plant purchased (including related stores and spares), civil work carried out and pre-operative expenses (including interest capitalised) as shown in (b) below. During the year, spares of the value of ₹ 215.07 lakhs have been consumed resulting to closing balance of CWIP at ₹ 7892.10 lakhs.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
b Capital work-in-progress includes pre-operative expenses, as under:		
Technical Consultancy	320.40	320.40
Employee Cost	144.56	144.56
Interest and Finance Cost	3,104.18	3,104.18
Traveling and Conveyance	227.48	227.48
Exchange Rate Fluctuation	42.43	42.43
Transportation Charges	19.96	19.96
Miscellaneous	59.97	59.97
	<u>3,918.98</u>	<u>3,918.98</u>

- c In the year 2005, due to several adversities, the project was suspended. However, the Holding Company intends to install the assets at a later date, depending on market conditions. Therefore, considering utilisation of assets in future, the Expansion Project Assets have been valued by a project consultant. Based on the valuation report obtained from the project consultant, the aggregate provision for impairment as at March 31, 2019 is ₹ 4541.14 lakhs (Previous Year: ₹ 4541.14 lakhs) and no additional provision for impairment is considered for the year ended March 31, 2019.
- vi. Refer Note 16.1 and 19.1 for information on Property, Plant and Equipment pledged as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at
March 31, 2019
₹ in lakhs

As at
March 31, 2018
₹ in lakhs

3 Non-current Investments

a) Investments measured at Cost:

In Equity Instruments of Subsidiaries

Unquoted (Fully paid equity shares)

Face Value

₹ per share Investee company

No. of Shares
Current Previous
Year Year

- Concorde Cement (Private) Limited	-	149,272	-	9.19
			-	9.19
Less: Provision for impairment in value			-	9.19
			-	-

b) Investments measured at Fair Value through Other Comprehensive Income:

In Equity Instruments of Others

i) Quoted (Fully paid equity shares)

10 MTZ (India) Limited	870,500	870,500	0.02	0.02
10 MTZ Polyfilms Limited	3,000,000	3,000,000	0.10	0.10
10 Dena Bank	200	200	0.03	0.04
10 Gujarat Sidhee Cement Limited	2,285,912	2,285,912	530.33	612.64
10 ACC Limited	1	1	0.02	0.02
2 Ambuja Cements Limited *	1	1	-	-
10 India Cement Limited *	1	1	-	-
5 JK Lakshmi Cements Limited *	1	1	-	-
10 Mangalam Cement Limited *	1	1	-	-
10 Prism Johnson Limited (Formerly Prism Cement Limited) *	1	1	-	-
10 Shree Digvijay Cement Co. Limited *	1	1	-	-
10 Ultratech Cement Limited	1	1	0.04	0.04
10 Zuari Agro Chemicals Limited *	1	1	-	-
10 Zuari Global Limited *	1	1	-	-
			530.54	612.86

* Each investment is less than ₹ 0.01 lakhs

ii) Unquoted (Fully paid equity shares)

50 Rajkot Nagrik Sahakari Bank Limited	2,001	2,001	1.00	1.00
10 Saraswat Co-op Bank Limited	5,000	5,000	0.50	0.50
			1.50	1.50
			532.04	614.36
			532.04	614.36

Aggregate Carrying Value of:

Quoted investments	530.54	612.86
Unquoted investments	1.50	1.50
	532.04	614.36
Aggregate Market Value of quoted investments	530.54	612.86

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
4 Loans		
Considered good - Unsecured		
Security Deposits	142.24	173.70
Staff Loans	8.49	13.17
	<u>150.73</u>	<u>186.87</u>
Loan Receivables - credit impaired		
Security Deposit for supply of Power	224.27	224.27
	<u>375.00</u>	<u>411.14</u>
Less : Provision for impairment	224.27	224.27
	<u>150.73</u>	<u>186.87</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
5 Other Financial Assets		
Fixed Deposits with Bank with maturity greater than 12 months (Held as Margin Money against Guarantees)	105.00	116.43
	<u>105.00</u>	<u>116.43</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
6 Other Non-current Assets		
Capital Advances	1,059.33	623.81
Advances other than Capital Advances		
Taxes Paid (Net of Provision of ₹ Nil, Previous Year: ₹ 1,811.52 lakhs)	806.96	537.53
Pre-deposit Balances with Statutory / Government Authorities against Appeals	134.33	120.66
Prepaid Expenses	24.03	18.11
	<u>2,024.65</u>	<u>1,300.11</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
7 Inventories		
Raw Materials (includes in transit of ₹ 0.79 lakhs, Previous Year: ₹ 291.59 lakhs)	728.85	1,188.64
Packing Materials	104.54	109.90
Work-in-progress	484.53	349.07
Finished Goods	1,019.76	862.54
Fuels (includes in transit of ₹ 3,367.44 lakhs, Previous Year: ₹ 1,509.77 lakhs)	4,023.41	1,945.85
Stores and Spare Parts (includes in transit of ₹ 5.26 lakhs, Previous Year: ₹ 28.54 lakhs)	1,480.42	1,172.77
	<u>7,841.51</u>	<u>5,628.77</u>

The cost of inventories recognised as an expense during the year is disclosed in Notes 27 and 28.

Value of inventories is stated after provision of ₹ 26.32 lakhs (Previous Year: ₹ Nil) in respect of write down to net realisable value.

There has been no reversal of any write down in current and previous year.

For mode of valuation of inventories : Refer Note 1.9



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
8 Trade Receivables		
Considered good - Unsecured	1,580.27	1,894.49
Trade Receivables - credit impaired	14.13	15.58
	<u>1,594.40</u>	<u>1,910.07</u>
Less : Provision for impairment	14.13	15.58
	<u>1,580.27</u>	<u>1,894.49</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
9 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	760.04	566.13
	<u>760.04</u>	<u>566.13</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
10 Bank Balances other than Cash and Cash Equivalents		
Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)		
Held as Margin Money against Guarantees	900.54	1,027.81
Held as Security against Overdraft facilities	5,257.04	5,254.00
Others	1,125.00	1,294.00
	<u>7,282.58</u>	<u>7,575.81</u>
Earmarked Balances		
For Unpaid Dividend (Equity and Preference)	20.96	5.69
For Redemption of Preference Shares	0.34	0.64
For Money received on Issue of Debentures	-	0.14
	<u>21.30</u>	<u>6.47</u>
	<u>7,303.88</u>	<u>7,582.28</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
11 Loans		
Considered good - Unsecured		
Deposits	-	32.31
Inter Corporate Loans	-	316.77
Staff Loans	11.74	14.33
	<u>11.74</u>	<u>363.41</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
12 Other Financial Assets		
Interest accrued on Fixed Deposits	187.14	213.35
Others	3.88	5.78
	<u>191.02</u>	<u>219.13</u>

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
13 Other Current Assets		
Considered good - Unsecured		
Advances		
Balances with Statutory / Government Authorities	150.51	164.32
Advances Against Purchase of Stores and Spares	93.98	589.97
Prepaid Expenses	37.60	130.88
Travelling Advance Due from a Director [Refer Note 37.2(B)(i)(c)]	6.23	1.31
Others	116.87	83.93
Non-current Asset held for Disposal [Refer Note 2(iii)]	34.59	271.88
	<u>439.78</u>	<u>1,242.29</u>
Considered Doubtful		
Advances Against Purchase of Stores and Spares	24.46	24.46
	<u>464.24</u>	<u>1,266.75</u>
Less : Provision for Doubtful advances	24.46	24.46
	<u>439.78</u>	<u>1,242.29</u>

	As at March 31, 2019 Numbers	₹ in lakhs	As at March 31, 2018 Numbers	₹ in lakhs
14 Equity Share Capital				
Authorised				
Equity Shares of ₹ 10 par value	195,000,000	19,500.00	195,000,000	19,500.00
		<u>19,500.00</u>		<u>19,500.00</u>
Issued				
Equity Shares of ₹ 10 par value	69,352,583	6,935.26	69,206,334	6,920.63
		<u>6,935.26</u>		<u>6,920.63</u>
Subscribed				
Equity Shares, of ₹ 10 par value				
Subscribed and Fully Paid Up	69,337,314	6,933.73	69,191,065	6,919.11
Equity Shares - forfeited	15,269	0.31	15,269	0.31
(₹ 2 per share paid up)		<u>6,934.04</u>		<u>6,919.42</u>

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

	As at March 31, 2019 Numbers	₹ in lakhs	As at March 31, 2018 Numbers	₹ in lakhs
Equity Shares, of ₹ 10 par value				
At the beginning	69,191,065	6,919.11	69,191,065	6,919.11
Shares issued during the year on exercise of employee stock options	146,249	14.62	-	-
At the end	<u>69,337,314</u>	<u>6,933.73</u>	<u>69,191,065</u>	<u>6,919.11</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

14.2 Rights, Preferences and Restrictions

Equity Shares

- i. The Holding Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Holding Company declares and pays dividend in Indian rupees. With effect from April 01, 2016, final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the coming Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Holding Company.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.
- iv. In respect of share based payments granted to employees (Employee Stock Options), refer Note 40.

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

	As at March 31, 2019		As at March 31, 2018	
	Numbers	%	Numbers	%
Equity Shares				
Villa Trading Company Private Limited	13,658,167	19.70%	13,658,167	19.74%
Parsec Enterprises Private Limited	13,538,370	19.53%	13,538,370	19.57%
Samja Mauritius Limited	17,175,000	24.77%	17,175,000	24.82%

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
15 Other Equity		
i. Share Application Money pending allotment	1.61	-
ii. Reserves and Surplus		
a. Capital Reserve	2,712.70	2,712.70
b. Capital Redemption Reserve	737.60	737.60
c. Securities Premium		
Balance as at the beginning of the year	10,566.71	10,566.71
Add: Transferred on exercise of Employee Stock Options	110.49	-
	10,677.20	10,566.71
d. Share Options Outstanding		
Balance as at the beginning of the year	106.71	-
Add: Share based payments to employees	703.91	106.71
Less: Employee Stock Options Exercised	(110.49)	-
Less: Employee Stock Options Lapsed	(7.63)	-
	692.50	106.71
e. General Reserve	5,786.29	5,786.29
f. Retained Earnings		
Balance as at the beginning of the year	17,817.16	12,404.66
Add/(Less) : Profit / (Loss) transferred from the Consolidated Statement of Profit and Loss	(492.12)	6,246.27
Add/(Less): Remeasurement gain / (loss) on defined benefit plan (net of tax)	(34.62)	(1.00)
Less: Appropriations		
Dividend on Equity Shares	691.91	691.91
Dividend Distribution Tax	142.22	140.86
	16,456.29	17,817.16

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
iii. Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	(3,088.81)	(3,084.20)
Add/(Less): Movement during the year	(82.31)	(4.61)
	<u>(3,171.12)</u>	<u>(3,088.81)</u>
	<u>33,893.07</u>	<u>34,638.36</u>

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

a. Share application money pending allotment

It represents share application money received from employees on exercise of stock options for which allotment of shares is pending as at the year end.

b. Capital Reserve

It represents reserve created on capital receipt.

c. Capital Redemption Reserve

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

d. Securities Premium

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

e. Share Options Outstanding

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

f. General Reserve

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

g. Retained Earnings

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

h. Equity Instruments through Other Comprehensive Income

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

	Non-Current		Current maturities of Long-term borrowings *	
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
16 Non-Current Borrowings				
Secured				
Term Loans				
From Banks	346.60	188.09	157.16	65.52
From Others	55.15	107.59	52.44	47.76
	<u>401.75</u>	<u>295.68</u>	<u>209.60</u>	<u>113.28</u>

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

16.1 Security and Repayment Terms:

- Term Loans are repayable in 36 to 60 equated monthly instalments carrying varied interest rates from 8% to 10% p.a. These loans are secured by hypothecation of vehicles and equipment financed there under.
- The Holding Company's debt was restructured under Corporate Debt Restructuring (CDR) in 2005 and the restructured debt including Funded Interest Term Loan (FITL) has been fully repaid in the earlier years. One of the conditions of the restructuring was that the Lenders would have a Right of Recompense (ROR) as may be approved by the CDR Empowered Group (EG). Hon'ble BIFR



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

has subsequently sanctioned a Rehabilitation Scheme for the Holding Company which over rides all previous schemes and the same does not envisage payment of recompense. The Holding Company has filed a Miscellaneous Application with the National Company Law Tribunal, Ahmedabad praying that directions be given to the CDR Lenders that no ROR is payable and to release all securities (in the form of mortgage in favour of the trustees on the holding company's immovable and movable properties, both, present and future, situated at Ranavav - Gujarat) including "HATHI" brand, personal guarantees and shares pledged by the promoters.

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
17 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	967.51	896.87
Compensated absences	272.55	262.79
	<u>1,240.06</u>	<u>1,159.66</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
18 Deferred Tax (Assets) / Liabilities (Net)		
Deferred Tax Assets		
i. Provision for Impairment	1,586.85	1,586.85
ii. Provision for expenses allowable on cash basis	896.93	916.74
iii. Provision for Gratuity & Leave encashment	534.10	499.19
iv. Unused tax losses - Unabsorbed Depreciation	436.84	-
v. MAT Credit Entitlement	2,848.04	2,865.72
vi. Others	13.48	13.99
Total	<u>6,316.24</u>	<u>5,882.49</u>
Deferred Tax Liabilities		
i. Property, Plant and Equipment	6,127.81	5,918.73
Total	<u>6,127.81</u>	<u>5,918.73</u>
	<u>(188.43)</u>	<u>36.24</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
19 Short-term Borrowings		
Secured		
Loans Repayable on Demand from Banks		
Cash Credits *	-	-
Overdraft against lien of Bank Fixed Deposits	2,597.02	1,306.33
Unsecured		
Loan from related parties	-	0.05
	<u>2,597.02</u>	<u>1,306.38</u>

19.1 Security:

- * The Working Capital facilities are secured by first charge by way of hypothecation of current assets, namely stocks of raw materials, semi finished and finished goods, consumable stores and spares, bills receivables, book debts and all other movable properties, both, present and future. They are also secured by second mortgage and charge on the Holding Company's immovable and movable properties, both, present and future, hypothecation of "Hathi" Brand, pledge of promoter shares and personal guarantee of two Directors of the Holding Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
20 Trade Payables		
Due to Related Party [Refer Note 37.2(B)(iii)]	65.28	43.39
Due to Micro and Small enterprises	93.68	64.27
Due to Others	6,187.28	5,109.91
	6,346.24	5,217.57

20.1 Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 :

i. Principal amount remaining unpaid	93.68	64.27
ii. Interest accrued on the above amount and remaining unpaid	-	-
iii. Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
iv. Interest paid in terms of Section 16	-	-
v. Interest due and payable for payments already made	-	-
vi. Interest accrued and remaining unpaid	-	-
vii. Amount of further interest remaining due and payable even in succeeding years	-	-

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

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
21 Other Financial Liabilities		
Current Maturities of Long-term Debt *		
Term Loans		
From Banks	157.16	65.52
From Others	52.44	47.76
	209.60	113.28
Unpaid Dividends	20.96	5.69
Unclaimed Share Application Money	-	14.48
Amounts Payable on Redemption of Preference Shares	0.35	0.64
Security Deposits from Customers / Transporters	1,042.89	964.58
Remuneration Payable to Key Managerial Personnel [Refer Note 37.2(B)(i)(a&b)]	38.30	43.12
Liabilities for Expenses at the year-end	638.28	783.31
	1,950.38	1,925.10

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
22 Other Current Liabilities		
Statutory Dues	3,708.61	3,360.89
Advances from Customers	1,430.49	1,565.39
Advance against sale of Non-current Asset held for Disposal	25.00	185.00
Unearned Revenue	788.51	441.59
Others	88.31	82.41
	6,040.92	5,635.28



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
23 Provisions		
For Employee Benefits (Refer Note 35)		
Gratuity	127.20	124.24
Compensated absences	161.19	144.66
	<u>288.39</u>	<u>268.90</u>
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
24 Current Tax Liabilities (Net)		
Provision for Taxation	-	999.45
Less: Taxes paid	-	960.49
	<u>-</u>	<u>38.96</u>
	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
25 Revenue from Operations		
Sale of Products	61,187.45	58,605.21
Other Operating Revenue	931.59	595.49
	<u>62,119.04</u>	<u>59,200.70</u>
25.1	Effective April 01, 2018, the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers", using the cumulative catch - up method and the comparative information is not restated. The Company is engaged into manufacturing of cement and clinker and on analysis of the Company's contracts with customers, it was determined that the adoption of this Standard did not have any impact on financial statements of the Company.	
	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
25.2 Revenue from Contracts with Customers		
A Revenue from contracts with customers disaggregated based on nature of products or services		
i Revenue from Sale of Products		
Cement	59,923.45	57,852.04
Clinker	1,264.00	753.17
	<u>61,187.45</u>	<u>58,605.21</u>
ii. Other Operating Revenue		
Sale of Power	412.33	219.21
Sale of Scrap	491.22	369.71
Export Entitlements	28.04	6.57
	<u>931.59</u>	<u>595.49</u>
	<u>62,119.04</u>	<u>59,200.70</u>
B Revenue from contracts with customers disaggregated based on geography		
i. Domestic	59,284.93	58,526.78
ii. Export	2,834.11	673.92
	<u>62,119.04</u>	<u>59,200.70</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
25.3 Reconciliation of contract price with Revenue from Operations		
Contract price	62,913.05	60,579.38
Less:		
Discounts and Rate differences	1,360.86	1,584.45
Customer loyalty programme	16.36	73.26
Incentives and Schemes	348.38	316.46
Revenue from sale of products	61,187.45	58,605.21
Add: Other Operating Revenue	931.59	595.49
Revenue from Operations	62,119.04	59,200.70
	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
26 Other Income		
Interest Income on		
Fixed Deposits with Banks	512.88	490.26
Financial Assets measured at amortised cost	2.57	3.01
Others	5.10	6.20
	520.55	499.47
Dividend Income from Non-current Investments	0.08	0.16
Miscellaneous Income	163.66	153.73
Net Gain on Foreign Currency Transactions and Translation	17.37	76.30
Rent	12.00	12.00
Insurance Claims	22.99	99.07
Bad Debts Recovered	1.23	0.43
Provision for Doubtful Debts Written Back	1.45	138.91
Excess Provision Written Back	82.40	724.39
Trade / Other Payables Written Back	67.29	66.82
	889.02	1,771.28
	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
27 Cost of Materials Consumed		
Raw Materials		
Opening Stock	1,188.64	938.67
Add: Purchases	3,907.10	3,350.60
	5,095.74	4,289.27
Less: Closing Stock	728.85	1,188.64
	4,366.89	3,100.63
Packing Materials		
Opening Stock	109.90	154.96
Add: Purchases	1,912.73	1,676.80
	2,022.63	1,831.76
Less: Closing Stock	104.54	109.90
	1,918.09	1,721.86
	6,284.98	4,822.49



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
28 Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress		
Stocks at the end		
Finished Goods - Cement	1,019.76	862.54
Work-in-progress - Raw Flour and Clinker	484.53	349.07
	<u>1,504.29</u>	<u>1,211.61</u>
Less: Stocks at the Beginning		
Finished Goods - Cement	862.54	572.89
Work-in-progress - Raw Flour and Clinker	349.07	513.27
	<u>1,211.61</u>	<u>1,086.16</u>
	<u>(292.68)</u>	<u>(125.45)</u>
29 Employee Benefits Expense		
[Refer Note 31.1 (a)]		
Salaries, Wages and Bonus	3,753.44	3,497.80
Share based payments to employees (Refer Note 40)	696.28	106.71
Contribution to Provident and Other Funds	241.80	245.87
Gratuity Expense	119.79	137.92
Staff Welfare Expenses	128.52	161.44
	<u>4,939.83</u>	<u>4,149.74</u>
30 Finance Costs		
Interest expense		
On Borrowings	256.94	161.92
On Duties and Taxes	92.82	84.29
On Others	123.95	94.47
	<u>473.71</u>	<u>340.68</u>
Other Borrowing Costs	0.62	1.20
	<u>474.33</u>	<u>341.88</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
31 Other Expenses		
Stores and Spare Parts Consumed	3,695.13	3,452.51
Power and Fuel	21,111.64	15,883.32
Rent	246.12	265.21
Repairs and Maintenance		
Buildings	450.71	274.96
Machinery	2,238.42	2,054.05
Others	708.68	693.13
	3,397.81	3,022.14
Insurance	103.80	115.64
Rates and Taxes	82.97	76.12
Raw Material Handling Charges [Refer Note 31.1(a)]	638.62	548.57
Limestone / Marl Raising Charges [Refer Note 31.1(a)]	621.08	544.05
Royalty and Cess [Refer Note 31.1(a)]	1,797.75	1,688.20
Advertisement and Business Promotion Expenses	1,223.18	1,481.62
Freight and Handling Expenses	13,719.69	12,215.73
Cement Packing Expenses	700.63	741.54
Commission	1,025.75	945.94
Directors' Fees	33.80	34.50
Charity and Donation [Refer Note 31.1(b)]	12.33	214.50
Traveling and Conveyance	464.15	490.52
Legal and Professional Charges	491.36	422.35
Auditor's Remuneration		
Audit Fees	11.10	11.28
Tax Audit Fees	3.00	3.00
For Other Services	4.30	3.51
	18.40	17.79
Bad Debts written off	-	124.48
Loss on Sale of Property, Plant and Equipment (Net)	13.22	51.55
Corporate Social Responsibility (CSR) Expenditure [Refer Note 34]	81.93	88.36
Miscellaneous Expenses	1,334.21	1,122.10
Cost of Cement Self Consumed	(47.92)	(18.93)
	50,765.65	43,527.81
31.1 a. Employee Benefit Expense (Note 29) and Other Expenses (Note 31) as incurred on cost of raising and transporting limestone / marl are as under:		
Salaries, Wages and Bonus	130.74	134.37
Stores and Spare Parts Consumed	418.41	368.35
Repairs and Maintenance to Machinery	82.42	77.57
Raw Material Handling Charges	460.41	401.38
Limestone / Marl Raising Charges	621.08	544.05
Royalty and Cess	1,797.75	1,688.20
	3,510.81	3,213.92
b. Charity and Donation include donation of ₹ Nil (Previous Year: ₹ 200 lakhs) given to political parties.		



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
32 Exceptional Items		
Profit on sale of land	319.72	-
	319.72	-
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
33 Contingent Liabilities and Commitments		
i. Contingent liabilities: (to the extent not provided for)		
a. Claims against the Holding Company not acknowledged as debt - matters under disputes / appeals;		
i. Sales Tax	2.09	2.09
ii. Excise Duty	1,370.44	856.72
iii. Service Tax	-	2.39
iv. Goods and Services Tax	0.74	-
v. Royalty	15.12	15.12
vi. Customs Duty	50.00	53.25
vii. Claims filed by workmen or their union against the Company	1.99	25.55
viii. On account of Power Supply	440.99	440.99
ix. In the earlier years, the company had sold residential flats through a bidding process in which the bidder failed to make the payments as per the agreed schedule due to which the Earnest Money Deposit and part payments received against the failed bid were forfeited as per the agreed tender terms and the flats were sold to another person. The matter is under dispute as the original unsuccessful bidder has disputed the subsequent sale and the outcome / impact of the same is presently unascertainable.		
x. Other demands and claims	44.66	82.69
b. Other money for which the Company is contingently liable; The impact / outcome of recompense clause as detailed in Note 16.1(ii), in respect of the restructured loans is presently unascertainable.		
Notes:		
i. The Holding Company does not expect any reimbursement in respect of the above contingent liabilities.		
ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.		
iii. The amounts stated are including interest and penalty, to the extent demanded.		
ii. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 1059.33 lakhs, Previous Year: ₹ 623.81 lakhs) and not provided for.	1,413.21	1,962.99
b. Other Commitments	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
34 Corporate Social Responsibility (CSR)		
Gross amount required to be spent by the Holding Company during the year	81.95	88.84
Amount spent and paid on CSR activities included in the Consolidated Statement of Profit and Loss for the year :		
Nature of Expenses specified in Schedule VII to the Companies Act, 2013		
Vocational Training	-	5.12
Rural Development	14.16	22.78
Promoting Preventive Health Care, Environment and Sanitation	4.17	10.95
Education Promotion	63.60	49.51
	81.93	88.36

35 Employee benefits

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

35.1 Defined Contribution Plans

The Holding Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 241.80 lakhs (Previous Year: ₹ 245.87 lakhs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

35.2 Defined Benefit Plan: Gratuity

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

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

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

35.4 Risk to the Plan

i. Actuarial Risk:

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ii. Liquidity Risk:

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

iii. Market Risk:

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

iv. Legislative Risk:

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

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
35.5 i. Changes in Present Value of Obligations:		
Present Value of Obligation at the beginning	1,035.97	1,010.20
Current Service Cost	39.94	40.39
Past Service Cost	-	36.27
Interest Cost	81.01	75.87
Actuarial (Gain) / Loss due to:		
- Change in Financial Assumptions	14.71	(13.56)
- Change in Demographic Assumptions	-	-
- Experience Changes	37.95	13.37
Benefits paid	(104.01)	(126.57)
Present Value of Obligation as at the end	1,105.57	1,035.97
ii. Changes in Fair Value of Plan Assets:		
Fair value of Plan Assets at the beginning	14.85	39.34
Expected return on Plan Assets	1.16	2.95
Contributions by the employer	99.42	100.84
Benefits paid	(104.01)	(126.56)
Return on plan assets excluding amounts included in interest income	(0.56)	(1.72)
Fair value of Plan Assets as at the end	10.86	14.85
iii. The amount recognised in Consolidated Balance Sheet		
Gross value of Present Obligation at the end	1,105.57	1,035.97
Fair Value of Plan Assets at the end	10.86	14.85
Net Liability / (Asset) recognised in Consolidated Balance Sheet	1,094.71	1,021.12
iv. Amount recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	39.94	40.39
Past Service Cost	-	36.27
Interest Cost	81.01	75.87
Expected return on Plan Assets	(1.16)	(2.95)
Expenses Recognised in the Consolidated Statement of Profit and Loss	119.79	149.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
v. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss:		
Change in Financial Assumptions	14.71	(13.56)
Change in Demographic Assumptions	-	-
Experience Changes	37.95	13.37
Return on plan assets excluding amounts included in interest income	0.56	1.72
Amount recognised in Other Comprehensive Income	53.22	1.53
vi. Category of Assets		
Insurer Managed Funds	10.86	14.85
vii. Maturity Profile of the Defined Benefit Obligation		
1 st Following Year (Within next 12 months)	234.12	174.72
2 nd Following Year	114.43	111.98
3 rd Following Year	172.95	144.60
4 th Following Year	134.16	158.00
5 th Following Year	169.29	121.44
Sum of Years 6 to 10	442.31	498.96
viii. Sensitivity Analysis for significant assumptions *		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	(40.81)	(41.20)
1% decrease in discount rate	44.80	45.22
1% increase in salary escalation rate	43.56	44.03
1% decrease in salary escalation rate	(40.33)	(40.79)
1% increase in employee turnover rate	5.98	6.92
1% decrease in employee turnover rate	(6.52)	(7.54)
ix. Assumptions		
Mortality Table - Indian Assured Life Mortality 2006-08		
Discount Rate	7.47%	7.82%
Rate of increase in compensation levels	5.00%	5.00%
Expected Return on Plan Assets	7.47%	7.82%
Attrition Rate	2.00%	2.00%
x. Weighted average duration of Defined Benefit Obligation	5 years	6 years
xi. The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.		
xii. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.		



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

xiii. Asset Liability matching strategy

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

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

- * The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Consolidated balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 Segment Reporting

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

37 Related Party Disclosures

37.1 List of related parties:

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

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

ii. Key Management Personnel:

- a. Mr. M. N. Mehta - Chairman
- b. Mr. Jay Mehta - Executive Vice Chairman
- c. Mr. M. S. Gilotra - Managing Director
- d. Mr. Hemang D. Mehta - Non-Executive Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- e. Mr. Hemnabh R. Khatau - Non-Executive Director
- f. Mr. S. V. S. Raghavan - Independent Director
- g. Mr. M. N. Rao - Independent Director
- h. Mr. B. P. Deshmukh - Independent Director
- i. Mr. K. N. Bhandari - Independent Director
- j. Mr. Jayant N. Godbole - Independent Director
- k. Mr. Bimal R. Thakkar - Independent Director
- l. Mr. P. K. Behl - Independent Director *
- m. Mr. Ashwani Kumar - Independent Director **
- n. Mrs. Bhagyam Ramani - Independent Director

iii. Relatives of Key Management Personnel with whom transactions have taken place:

Mrs. Narinder Kaur - Wife of Mr. M S Gilotra

iv. Enterprise having Key Management Personnel in common:

Gujarat Sidhee Cement Limited

* Ceased to be director w.e.f. 08.03.2019

** Appointed w.e.f. 13.02.2019

37.2 Transactions and Balances with related parties:

A Transactions with related parties:

i. Compensation paid to Key Management Personnel:

Key Management Personnel	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹ in lakhs		₹ in lakhs	
	Short-term employee benefits	Share-based payment	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a below)	297.89	-	227.51	-
Mr. M. S. Gilotra (Refer Note a and b below)	259.56	-	221.96	260.54

- a. As the liability for gratuity are provided on actuarial basis for the Holding Company as a whole, the amounts mentioned are exclusive of gratuity.
- b. The previous year amount represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.

ii. Transactions with Key Management Personnel:

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
a. Directors sitting fees	33.80	34.50
b. Dividend on Equity Shares	0.95	0.95



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
iii. Transactions with relatives of Key Management Personnel:		
a. Rent to Mrs. Narinder Kaur	-	1.50
b. Dividend on Equity Shares	37.21	37.21
iv. Transactions with Gujarat Sidhee Cement Limited		
a. Purchase of goods and materials	1,868.62	722.97
b. Sale of goods and materials	-	29.59
c. Expenses / (Recovery) for services (net)	(76.12)	(20.09)
	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
B Outstanding Balances as at the year-end		
i. Balances with Key Management Personnel:		
a. Remuneration payable to Mr. M S Gilotra	16.23	21.18
b. Remuneration payable to Mr. Jay M Mehta	22.07	21.94
c. Travelling Advance to Mr. Jay M Mehta	6.23	1.31
ii. Balance with Gujarat Sidhee Cement Limited		
Amount payable / (receivable)	65.28	43.39
C Terms and conditions of transactions and balances with related parties		
i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.		
ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.		
iii. There have been no guarantees provided or received for any related party transaction.		
iv. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.		

38 Capital Management:

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

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

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

	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Total Debt (A)	3,208.37	1,715.34
Total Equity (B)	40,827.11	41,557.78
Debt Equity Ratio (A/B)	0.08	0.04

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
39 Income Tax expense		
39.1 Income tax expense recognised in the Consolidated Statement of Profit & Loss:		
i Current Income Tax		
In respect of current year	-	999.45
Adjustments in respect of tax of earlier years	20.32	22.48
Total current income tax	20.32	1,021.93
ii Deferred Tax		
In respect of current year origination and reversal of temporary difference	(223.75)	243.06
In respect of MAT credit entitlement of earlier years	17.68	(2,042.87)
In respect of MAT credit entitlement	-	(822.85)
Total Deferred Tax	(206.07)	(2,622.66)
Income Tax expense	(185.75)	(1,600.73)
39.2 Income tax charge / (credit) recognised in Other Comprehensive Income:		
Deferred Tax		
In respect of remeasurement gain (loss) of defined benefit plan	(18.60)	(0.53)
39.3 Classification of Income tax charge / (credit) recognised in Other Comprehensive Income:		
Income tax charge / (Credit) related to items that will not be reclassified to profit or loss	(18.60)	(0.53)
39.4 Reconciliation of Income Tax Expense with the accounting profit multiplied by Company's tax rate		
Accounting profit / (loss) before tax	(677.87)	4,645.54
Applicable Tax Rate	34.944%	34.608%
Computed Tax Expense *	(236.87)	1,607.73
Effect of non deductible items	144.77	299.15
Effect of deductible items	(345.02)	(532.07)
Effect of deductions under Chapter VI-A	-	(1,200.38)
Effect of unused tax losses	437.12	2.17
Adjustment of income tax of earlier year	20.32	22.48
Adjustment of MAT Credit entitlement of earlier years	17.68	(2,042.87)
Deferred tax adjustment (excluding DTA on unused tax losses)	(223.75)	243.06
Tax Expenses recognised in Consolidated Statement of Profit and Loss	(185.75)	(1,600.73)
Effective Tax Rate	27.40%	-34.46%



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40 Share Based Payments

40.1 Saurashtra Employee Stock Option Scheme 2017

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

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

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2019 Nos	Weighted average exercise price per option (₹)	As at March 31, 2018 Nos	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	1,633,253	10	-	-
Granted during the year	-	-	1,633,253	10
Exercised during the year	162,346	10	-	-
Forfeited / lapsed during the year	21,380	10	-	-
Outstanding at the end of the year	1,449,527	10	1,633,253	10
Options exercisable at the end of the year	409,309	10	-	-

The weighted average share price during the period of exercise of options was ₹ 44.88 per share, Previous Year: NA. Weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 3 years and 5 months (Previous Year: 4 years and 4.5 months)

40.3 Fair Valuation

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

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

- Risk Free Rate : 7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
- Option Life : Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)], which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
- Expected Volatility * : 52.89% (Vest 1), 55.72% (Vest 2), 58.15% (Vest 3)
- Dividend Yield : 1.15%

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

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Consolidated Statement of Profit and Loss is ₹ 696.28 lakhs (Previous year: ₹ 106.71 lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note No.	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Financial Assets at amortised cost:			
Trade Receivables	8	1,580.27	1,894.49
Loans	4 & 11	162.47	550.28
Cash and Bank Balances	9 & 10	8,063.92	8,148.41
Other Financial Assets	5 & 12	296.02	335.56
Financial Assets at fair value through Other Comprehensive Income:			
Investments	3	532.04	614.36
Total		<u>10,634.72</u>	<u>11,543.10</u>
Financial Liabilities at amortised cost:			
Term Loan from Banks (Non-current)	16	401.75	295.68
Overdraft against lien of Bank Fixed Deposits	19	2,597.02	1,306.33
Loan from related parties	19	-	0.05
Trade payables	20	6,346.24	5,217.57
Other Financial Liabilities	21	1,950.38	1,925.10
Total		<u>11,295.39</u>	<u>8,744.73</u>

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

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

41.2 Fair Value Measurement

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

- Receivables are evaluated by the Group based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.
- The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.

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

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

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

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Financial Assets at fair value through Other Comprehensive Income:		
Investments - Level 1	530.54	612.86
Investments - Level 2	1.50	1.50
Total	532.04	614.36

There is no transfer between Level 1 and Level 2 during the year.

41.3 Financial Risk Management Framework:

Holding Company

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprises of trade and other receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The Company's senior management oversees the management of these risks. They provide assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The sources of risks which the company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Trade Receivables, Loans	Ageing Analysis, Credit Rating	Credit limit and credit worthiness monitoring, Criteria based approval process
Liquidity Risk	Borrowings and Other Liabilities	Cash flow forecasts	Adequate unused credit facilities and sufficient Bank FDRs
Foreign Exchange Risk	Committed commercial transaction, Financial asset and Liabilities not denominated in INR	There are no major foreign exchange transactions	Foreign exchange transaction are in the nature of current payment and effected at current exchange rate.
Commodity Price Risk	Movement in prices of commodities mainly Imported Steam Coal	Sensitivity Analysis, Commodity price tracking	Orders are placed based on the best price quoted by parties.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, foreign exchange risk and commodity price risk in a fluctuating market environment. Financial instrument affected by market risks includes foreign currency receivables and payables.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels, raw materials and spare parts, capital expenditure and export of cement.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

Outstanding foreign currency exposure	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Trade Advances		
GBP	20.02	3.62
Euro	-	7.35
SGD	5.45	
Trade Payables		
GBP	-	2.30

Foreign currency sensitivity on unhedged exposure:

Since the exposure is not significant, 1% increase in foreign exchange rates will have negligible impact on profit before tax.

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates only to the overdraft facility availed in INR against fixed deposits. The Company doesn't have foreign currency borrowings. The company parks surplus funds in fixed deposits and avails overdraft facility against same to meet temporary fund requirement. The interest rate on overdraft facility is linked with interest rate on fixed deposit. Any adverse movement in interest rate will not affect profit before tax since the same will be offset by interest income earned on corresponding fixed deposit. Hence the interest rate risk is self mitigated.

Interest rate exposure:

There is no significant interest rate risk as overdraft facility against fixed deposits have fixed margin over the interest rates of fixed deposits.

Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of coal, pet coke and other products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

Credit Risk Management:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities mainly deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivables:

Customer credit is managed as per Company's established policy procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

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

Generally deposits are taken from domestic debtors. Apart from deposit, there is a third party agent area wise. In case any customer defaults, the amount is first recovered from third party agent, then from the agent's commission. Each outstanding customer receivable is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

Total Trade receivable as on March 31, 2019 is ₹ 1,594.40 lakhs, Previous Year: ₹ 1,910.07 lakhs.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for impairment based on specific identification. This is further substantiated by the fact that no bad debt has been written off during the current year and entire bad debt written off during the previous year was fully provided for in earlier years. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for impairment is as below:

Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Opening Provision	15.58	154.49
Add: Provided during the year	-	-
Less: Utilised / written back during the year	1.45	138.91
Closing Provision	14.13	15.58

Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic rating agencies.

Subsidiary : Agrima Consultants International Ltd.

The Company's source of revenue is rental income which is not exposed to any kind of the market risk or credit risk since the same is derived from holding company and one other Company in which Key Management Personnel of holding Company is common.

Group

Liquidity Risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs				
As at March 31, 2019	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	2,806.62	401.75	-	3,208.37
Trade payables	6,346.24	-	-	6,346.24
Other financial liabilities	1,740.78	-	-	1,740.78
₹ in lakhs				
As at March 31, 2018	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term debts)	1,419.66	295.68	-	1,715.34
Trade payables	5,217.57	-	-	5,217.57
Other financial liabilities	1,811.82	-	-	1,811.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	₹ in lakhs	As % of Profit or (Loss)	₹ in lakhs	As % of Consolidated OCI	₹ in lakhs	As % of Consolidated TCI	₹ in lakhs
1	2	3	4	5	6	7	8	9
Parent :								
Saurashtra Cement Limited	99.89%	40,782.89	98.25%	(483.51)	100.00%	(116.93)	98.59%	(600.44)
Subsidiary (Indian):								
1 Agrima Consultants International Limited	0.11%	44.22	1.75%	(8.61)	-	-	1.41%	(8.61)
Non controlling interest	-	-	-	-	-	-	-	-
Total	100.00%	40,827.11	100.00%	(492.12)	100.00%	(116.93)	100.00%	(609.05)

42.1 The Board of Directors of the Holding Company had approved a scheme of amalgamation (hereinafter referred to as the "Scheme") of four wholly owned subsidiaries i.e. Pranay Holdings Limited, Prachit Holdings Limited, Reeti Investments Private Limited and Ria Holdings Limited (hereinafter referred to as "Subsidiaries") with the Holding Company at its meeting held on November 1, 2018. The Scheme has been approved by National Company Law Tribunal (NCLT) vide its order dated May 2, 2019. The Scheme is effective from appointed date i.e. 1st April 2018.

As per Indian Accounting Standard (Ind AS) 103 "Business Combination", the Holding Company and Subsidiaries are commonly controlled entities. Therefore the financial statements of the Holding Company are restated as if the business combination had occurred from the beginning of the preceding period i.e. from April 01, 2017.

Till previous financial year, Group's consolidated financial statements were prepared by consolidating five wholly owned subsidiaries. As per the scheme, amalgamation of Subsidiaries has been accounted for by the Holding Company as per the Pooling of interest method as prescribed in Ind AS 103. Therefore current year's consolidated financial statements have been prepared by consolidating remaining one wholly owned subsidiary.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2019 ₹ in lakhs	For the year ended March 31, 2018 ₹ in lakhs
43 Earnings Per Share		
Weighted average number of equity shares of ₹ 10 each		
No. of shares issued on exercise of Stock Options	146,249	-
Number of Days in the current year for the above shares issued	7	-
Weighted average number of shares issued on exercise of Stock Options	2,805	-
Balance at beginning of year	69,191,065	69,191,065
Weighted average number of equity shares of ₹ 10 each	69,193,870	69,191,065
Net Profit / (Loss) for the year	(492.12)	6,246.27
Basic earnings per share (in ₹)	(0.71)	9.03
Equity Shares to be allotted in future against grant of options to Employees under Employee Stock Option Scheme (ESOS) 2017	14,49,527 *	16,33,253 **
Diluted earnings per share (in ₹)	(0.71)	9.03
* As the Group has incurred loss during the year, dilutive effect of potential equity shares on weighted average number of shares would have an anti-dilutive impact and hence, not considered.		
** These Equity Shares could potentially dilute basic earnings per share (EPS) in the future but are not included in the calculation of diluted EPS because they are anti-dilutive for the year.		

44 Previous year figures have been recasted / restated where necessary.

As per our report of even date attached

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

K C Patel
Partner
Membership No. 30083
Mumbai, Dated May 25, 2019

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019

FORM AOC-I

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

Statement containing salient features of the financial statement of subsidiary

(₹ in Lakhs)

Sl. No.	1
Name of the Subsidiary Company	Agrima Consultants International Limited
Share Capital	40.41
Reserves & surplus	(151.44)
Total Assets	47.65
Total Liabilities	158.68
Investments	0.25
Turnover	25.22
Profit / (Loss) before taxation	(5.00)
Provision for taxation	(0.14)
Profit / (Loss) after taxation	(4.86)
Proposed Dividend	-
% of shareholding	100%

For and on Behalf of the Board of Directors

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

Mumbai, Dated May 25, 2019

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