

Gujarat Sidhee Cement Limited

Corporate Office

N K Mehta International House, 2nd Floor,
178 Backbay Reclamation, Mumbai 400 020
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E sidhee-mum@mehtagroup.com
CIN : L26940GJ1973PLC002245

Date: July 30, 2016

NATIONAL STOCK EXCHANGE
OF INDIA LIMITED
Exchange Plaza,
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051.

Dear Sirs,

Company Code No. GSCLCEMENT

Sub : Annual Report for the year 2015-2016.

Please find enclosed herewith 42nd Annual Report for the Financial Year 2015-16 consisting of Balance Sheet, Statement of Profit & Loss and Director's Report of the Annual General Meeting Etc., for your perusal and record.

Please acknowledge the receipt of the same.

Thanking you,

Yours Faithfully,
For **GUJARAT SIDHEE CEMENT LTD.**

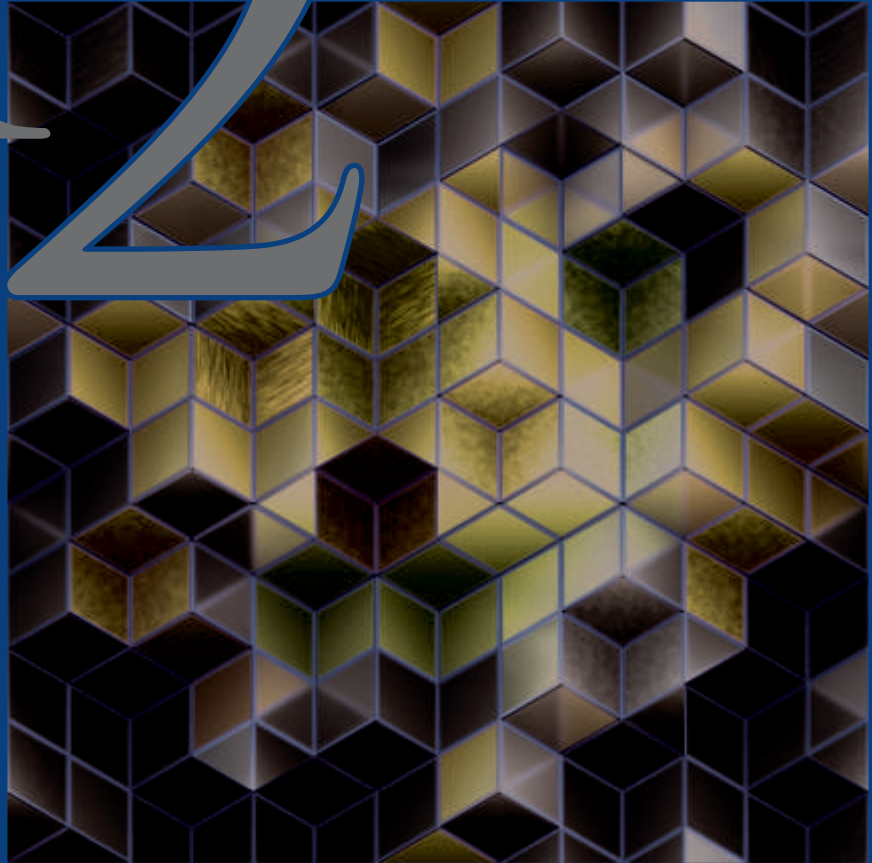


V. R. MOHNOT
C F O & CO. SECRETARY
Encl : As above.



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

42nd



ANNUAL REPORT
2015 - 2016



Gujarat Sidhee Cement Limited



BOARD OF DIRECTORS

As on 27.05.2016

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

CFO & Company Secretary

Mr. V. R. Mohnot

Bankers

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

Auditors

M/s. Manubhai & Shah LLP
Chartered Accountants
Ahmedabad

Registered Office & Works

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

Corporate Office

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

Registrar & Share Transfer Agent:

M/s. Link Intime India Pvt Ltd
(Unit: Gujarat Sidhee Cement Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Tel. 022- 25963838, Fax : 022-25946969

Website: www.gujaratsidheecementlimited.com

DIRECTORS' REPORT

Dear Members,

The Directors present the 42nd Annual Report along with the Audited Accounts and Auditors Report for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

The highlights of the financial results for the Financial Year ended 31st March 2016 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current F.Y. (2015-16)	Previous F.Y. (2014-15)	Current F.Y. (2015-16)	Previous F.Y. (2014-15)
Revenue from Operation & Other Income (Net of Excise)	4758.82	4917.86	4759.06	4917.86
Profit before Interest, Depreciation & Exceptional Items	11.87	159.58	11.90	158.97
Finance Cost	42.80	47.21	53.03	48.81
Profit / (Loss) before Depreciation	(30.93)	112.37	(41.13)	110.16
Depreciation & Impairment	88.07	114.82	88.07	114.82
Exceptional Items	0.00	(65.57)	0.00	(65.57)
Profit / (Loss) before Tax	(119.00)	(68.02)	(129.19)	(70.23)
Tax Expense	0.00	0.00	0.00	0.00
Deferred Tax Adjustment	(46.76)	(23.13)	(46.76)	(23.13)
Profit / (Loss) before share in profits of Associate of Subsidiary	0.00	0.00	(82.43)	(47.10)
Share in Profit of Associate of Subsidiary	0.00	0.00	89.82	103.64
Profit / (Loss) after Tax	(72.24)	(44.89)	7.39	56.55
Brought forward Profit / (Loss) from earlier years	288.69	333.58	390.13	333.58
Balance of Profit / (Loss) carried to Balance Sheet	216.45	288.69	397.52	390.13

THE YEAR UNDER REVIEW

The Indian economy and Cement Industry witnessed a slower growth in the last year. The cement production registered 4.6 percent growth during 2015-16 as compared to 5.6 percent during the previous year.

Consumption of cement in our home market Gujarat increased nominally by about 2.4 percent. Inadequate investments in infrastructural projects as well as poor rural demand due to poor monsoons affected cement consumption.

The global coal prices as well as the petcoke prices were lower than the previous year. Restrictions imposed in the energy exchange under Open Access, resulted in power cost escalations and increased the cost of manufacturing. The inordinate delay in the statutory approvals for the new lease area for captive mining of raw materials resulted in procurement of limestone from distant sources, which has further increased the manufacturing cost. The lower cement prices coupled with higher cost of production resulted in losses during the year.

PERFORMANCE REVIEW

Production and Sales

The production of clinker for the year ended March 2016 was 1.37 million tonnes, 8 percent more than the clinker production of 1.27 million tonnes for the previous year ended March 2015.

The cement production for the year ended March 2016 was 1.28 million tonnes and is same as previous year ended March 2015.

Additionally, clinker was sold in the local and export market and the overall sales (cement and clinker) was 1.47 million tonnes during the year ended March 2016, around 7 percent higher than the overall sale of 1.37 million tonnes in the previous year ended March 2015.

The plant production and sales were satisfactory as far as volumes go. However, higher cost of raw materials, electricity and transportation and lower cement prices caused poor financial performance.

Export

The export of cement for the year ended March 2016 was 0.025 million tonnes as compared to 0.064 million tonnes in the previous year. The export market remained less viable with un-remunerative prices and high cost of transportation to the available port.

CHANGES IN SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on 1st April 2015 was ₹ 3615.39 lacs. During the year under review and in compliance with the order dated 6.12.2012 issued on 16.1.2013 by Hon'ble BIFR sanctioning rehabilitation scheme of the Company, M/s. Bhadra Textiles & Trading Private Limited, a Promoter company further infused ₹ 20 crores in the equity of the Company. Accordingly, M/s. Bhadra Textiles & Trading Private Limited is holding 58% of the Paid-up Equity Capital of the Company (including the forfeited shares) as on 31st March 2016 and has become Holding Company of the Company.

The paid up Equity Share Capital of the Company (including the forfeited shares) as on 31st March 2016 is ₹ 8620.69 lacs.

DIVIDEND

In view of the loss for the year, the Directors have not recommended any dividend for the Financial Year ended March 31, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDIAN ACCOUNTING STANDARD (INDAS) – IFRS CONVERGED STANDARDS

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

In pursuance of this notification the company and its subsidiaries will adopt the same with effect from April 01, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 136 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by 'The Institute of Chartered Accountants of India'. The Audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

The Consolidated Profit of the Company (after the share in profit of the Associate of the Subsidiary) amounted to ₹ 73.90 lacs for the Financial year ended 31st March 2016 as compared to a Profit of ₹ 565.45 lacs in the previous year.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has one subsidiary company.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;

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

CORPORATE GOVERNANCE

A separate report in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors form part of this Report as **Annexure B**.

The Company is committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 forms an integral part of this Report. Also a certificate of Compliance from the Auditors of the Company confirming compliance with the conditions of Corporate Governance forms a part of this Report. A declaration by CEO and CFO that Board and senior members have complied with the Code of Conduct of the Company also forms a part of the Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

CORPORATE SOCIAL RESPONSIBILITY

The Company has been committed towards various social measures and has taken initiatives to cater to the needs of the society.

The Board of Directors have based on the recommendation of the committee, formulated a Corporate Social Responsibility Policy for welfare of the society. The policy is available at the following link : <http://gscl.mehtagroup.com/policy/csr-policy>.

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

The CSR Projects of the Company mainly focus on the following activities. These projects fall under Schedule VII of the Act.

Community Welfare Activities and Environment friendly initiatives

The Company strives to positively impact the lives of the communities around its areas of operation, minimize impact on the environment and address concerns of communities in a mutually beneficial manner. During the year under review, the Company has undertaken following activities in this regard.

- Installation of 10 units of solar street light in Vavdi village.
- Construction of bridge over Nala in Morasa village.
- Deepening & desalting of Pond in Chagiya village.
- Construction of boundary wall for crematorium in Vavdi village.
- Construction activity at Bhutada dada temple in Padhruka village.
- Plantation drive at Morasa Primary School with free supply of saplings to the school.

Health Care

The factory has a Health Care Center providing medical aid to the Company's employees and the family members, workers as well as patients from the nearby areas. During the year under review, the Company has undertaken following activities in this regard.

- Donation of new Ambulance for services to all the nearby villages.
- Gynecology & dental screening camp at Sidhee health center for nearby villagers.

- Medical camp for children of Padhruka village.
- Providing medical service for nearby villagers.
- Providing Emergency medical Ambulance for nearby villagers.

Education

The Company has a full fledged school affiliated with CBSE for the children of the employees and local people staying in nearby areas.

The total amount required to be spent under CSR for the Financial Year 2015-16 was ₹ 35.00 lacs against which the Company has spent ₹ 29.98 lacs. ₹ 5.02 lacs has been carried forward to be spent during the Financial Year 2016-17. The shortfall was due to certain projects under execution.

The CSR Policy statement and Report on the activities undertaken during the year is annexed to this Report as **Annexure D**.

RISK MANAGEMENT

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

Managing risk is a skill that is sought to be strengthened through this process and an effort at making decisions more consistent in a way that the business objectives are met most of the times. The ERM process seeks to provide greater confidence to the decision maker and thus enhance achievement of Objectives.

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee and has also adopted a Risk Management Policy. The constitution of the committee along with principles pertaining to the management of risk are set out in the Corporate Governance Report of the Company.

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

Reappointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. M. N. Mehta (DIN: 00632865) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Brief resume of the Director seeking re-appointment along with other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Notice for convening the Annual General Meeting.

The Board recommends there appointment.

Appointment / Change in Key Managerial Personnel :

During the year under review, Mr. Jay Mehta was reappointed as Executive Vice Chairman and Mr. M. S. Gilotra was reappointed as Managing Director for a further period of 5 years effective from 1.1.2016.

Board Evaluation

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

Declaration by Independent Directors

All Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS

Statutory Auditors

M/s. Manubhai & Shah LLP, Chartered Accountants (formerly M/s. Manubhai & Shah, Chartered Accountants), Ahmedabad, the Statutory Auditors of the Company, who hold office upto the conclusion of the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 2013, who are eligible for re-appointment are recommended for re-appointment to audit the Accounts of the Company for the Financial Year 2016-17. As required under the provisions of the Companies Act, 2013, the Company has received written confirmation from M/s. Manubhai & Shah LLP, Chartered Accountants that their appointment, if made, will be in conformity with the limits specified in the Section 141(3)(g) of the Companies Act, 2013.

Secretarial Auditors

M/s Ragini Chokshi & Co, 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 2015 – 16. The report of the Secretarial Auditor is annexed as **Annexure E** to this report.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s. Ragini Chokshi & Co, Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2016-17.

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 2016-17.

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 2016-17.

Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act 2013, on the recommendation of Audit Committee, M/s. M. Goyal & Co. Cost Accountants, have been appointed by the Board as Cost Auditor of the Company for the Financial Year 2016-17. A certificate of eligibility under Section 148 of the Companies Act, 2013 has been received. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to M/s. M. Goyal & Co., Cost Auditor, is included at item no.4 of the Notice convening the Annual General Meeting.

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

Audit Committee

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

Nomination & Remuneration Committee & Policy

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

Vigil Mechanism

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

Number of Board Meetings

During the year under review five meetings of the Board of Directors were held on the 15th May, 2015, 10th August, 2015, 26th October, 2015, 1st February, 2016 and 7th March 2016.

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

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

Extract of the Annual Return

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

Particulars of Employees

The disclosures in terms of the provisions of Section 197 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this report as **Annexure H**.

Disclosure under Sexual Harassment of Women at Workplace (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 financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

Related Party Transactions

All related party transactions are on arms length basis at prevailing market prices. The other details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134 (3) of the Companies Act, 2013 are mentioned in the Corporate Governance Report.

Reporting of Fraud

The Auditors of the Company have not reported any fraud to Audit Committee as stipulated under the second proviso of Section 143(12) of the Companies Act, 2013.

GENERAL**Listing Of Equity Shares**

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid listing fees as prescribed for Financial Year 2016-17.

Staff Relations

Industrial relations at our factory and offices remained cordial.

Deposits

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

There are no deposits unpaid or unclaimed as at the end of the year.

Acknowledgement

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

On behalf of the Board of Directors

Place : Mumbai

Dated : 27.5.2016

M.S. Gilotra

Managing Director

Jay Mehta

Executive Vice Chairman

ANNEXURE A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Cement industry in India has registered a cumulative growth in production at 4.6 percent during the period April 2015 to March 2016 as against 5.6 percent during the corresponding period of last year. The cumulative growth for the eight core industries (coal, crude oil, natural gas, refinery products, fertilisers, steel, cement & electricity, which comprise nearly 38 percent of the weight of items in the Index of Industrial Production) is 2.7 percent during the period April 2015 to March 2016 as against 3.5 percent during the corresponding period of last year.

The Indian Cement Industry has an installed capacity of around 372 million tonnes. The overall capacity utilization continued to be on the lower side. The cement market in the state of Gujarat remained very fragmented and margins remained under pressure due to the surplus capacity available in the states of Gujarat & Rajasthan and the lower export volumes due to unremunerative prices.

Future Outlook

The robust growth of Indian economy and the stable political scenario is likely to revive the cement industry with a faster growth rate than the preceding year. Surge in cement demand is expected on account of Government's initiatives in concrete roads, freight corridors, Smart Cities Mission, construction of toilets under "Swachh Bharat Abhiyan", Atal Mission for Rejuvenation & Urban Transformation (AMRUT) etc. Demand in the housing sector is poised for higher growth with the Government's initiative of "Housing for All", with gradual reduction in interest rates, tax benefits and wider acceptance of low cost housing.

The medium term to long term future of the cement industry is optimistic and positive. However, due to addition of new plants with large capacities, the capacity utilization is likely to be on the lower side.

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

Opportunities & Threats

The cement consumption growth in the state of Gujarat is likely to be maintained and is expected to give ample opportunities for growth in the cement industry.

With the international price of crude remained low, the cost of fuel, diesel etc. is favorable now. The rail freights continued to be high and the transportation by rail by using the nearest rail siding is unviable. The infrastructural constraints and high cost of handling of cement at public ports continue to pose threats to the sustainability and stability of the industry in Gujarat.

The environment regulations are already amended, where the emission levels are drastically reduced in line with the norms achieved in the equipment with latest technology and design. This calls for substantial additional investments in a short span of time to upgrade the pollution control equipment with that of latest design and technology.

The Government has passed the Mines and Minerals (Development and Regulation) Ordinance, 2015 that has amended certain provisions of Mines and Mineral (Development and Regulation) Act, 1957. The amended act stipulates auction as the basis for allotment of mineral concessions and is silent on the status of the applications, which are pending for various approvals since long.

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

Segment Review and Analysis

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

Risks and Concerns

Over capacity of cement versus the demand is resulting in very volatile market conditions is impacting the profitability of cement business. The escalation of input costs, higher cost of power, restrictions imposed in buying power from energy exchange under Open Access, cost of delivery and the high rates of government levies (royalty of limestone, statutory contribution to the district mineral foundation, excise duty, VAT, octroi, local body tax and other miscellaneous levies) continue to be a major concern for our Company. The Company proposes to set up a Waste Heat Recovery Plant to improve the energy efficiency and to reduce the power cost.

The delay in getting the required mining lease for the additional mining areas is a great concern as the availability of limestone has substantially reduced in the existing limestone mines.

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

Internal Control systems and their adequacy

Your Company has adequate systems of internal controls commensurate with the size and nature of its operations. The internal audit team continuously monitors the effectiveness of internal control systems. The Management periodically reviews the Reports of the Internal Auditor highlighting suggested improvements, cost control measures and need of policy modification and assuring its adherence. The Audit Committee reviews the financial results, adequacy of disclosures and adherence of accounting principles. The

corrective steps and suggestions of the Audit Committee are implemented and the Internal Auditor reviews the same and reports of any deviations and other recommendations to formulate management policies, risk management procedures, etc.

Human Resource Development / Industrial Relations

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

In order to enhance Managerial Capabilities, we have been providing continual training to internal talent and recruiting and nurturing fresh talent from premier Engineering and Management Institutions.

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

We continue to invest in our employee engagement as a tool to create conducive working environment that will facilitate employee commitment.

The Industrial relations at the plant were cordial.

The Management places on record the contribution of employees at all levels during the year and their whole-hearted co-operation, which has resulted in achieving continuous production exceeding 100% of rated capacity.

The Company had 445 permanent employees as on 31.3.2016.

Corporate Social Responsibility (CSR)

Community Welfare Activities

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

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

Health Care

Your Company is committed to ensuring zero harm to its employees, contractors and the communities in which it operates. This is integral to the business process and is laid down in the health and safety (H&S) policies, standards and working procedures. The factory has a health care center providing medical aid to the Company's employees and the family members, workers as well as patients from the nearby areas. The Company conducts various immunization programs, blood donation camp, family welfare education, health care, safety as well as various periodical health checkup and first aid training programmers for employees and workers. Your Company continues to contribute towards the Medical Centre and occupational health service. Company has provided an Ambulance to Prashnawada Grampanchayat for getting timely medical facilities to the nearby Villages.

Education

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

Afforestation

The Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant and nearby areas.

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, availability of raw material, energy cost, logistics cost, changes in Government regulations and tax structure, economic development in India.

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

On behalf of the Board of Directors

Place : Mumbai
Dated : 27.5.2016

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

ANNEXURE B

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Gujarat Sidhee Cement Limited, (your Company) believes that good Corporate Governance aims at achieving high level of efficiency, transparency, accountability, responsibility and fairness in dealings with all stakeholders.

During the year under review, the Securities and Exchange Board of India (SEBI) introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations, 2015'). These norms provide for stricter disclosures and protection of investor rights, including treatment for minority shareholders.

The amended norms are aligned with the provisions of the Companies Act, 2013 and is aimed to encourage companies to 'adopt best practices on corporate governance'.

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

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

2. GOVERNANCE STRUCTURE

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

a) Board of Directors:

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

b) Committees of Directors:

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

c) Executive Management :

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

3. BOARD OF DIRECTORS :

(i) Composition (As on 31.3.2016)

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

The composition of the Board as on 31st March, 2016 is as under:

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

3.1 Profile of Directors

The brief profile of each Director is given below:

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

Mr. M. N. Mehta, aged 84 years, is an Industrialist. Mr. Mehta is a Non Resident Indian. He completed his schooling in India and then joined the family business at the age of 19 in East Africa and has over six decades of entrepreneurial experience. He is the motivating force behind the Group. He is also Chairman of Saurashtra Cement Limited and subsidiary companies in India.

He joined the Board of the Company in December, 1984 and was reappointed in current term on 18.9.2014.

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

Mr. Jay Mehta, aged 55 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 3 decades of experience in Cement Industry. He is also Executive Vice Chairman of Saurashtra Cement Limited and Board member of various subsidiary companies, private and public limited companies in India. Mr. Jay Mehta is a Member of Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Company.

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

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

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

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

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

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

He joined the Board of the Company in October, 2010 and was reappointed in current term on 22.9.2015.

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

Ms. Juhi Chawla Mehta, aged 49 years, is Commerce Graduate from University of Mumbai with Honors. She is renowned Cine Artist. She is also on the Board of private limited companies. She is the Member of Corporate Social Responsibility (CSR) Committee of the Company.

She joined the Board of the Company on 31.5.2014.

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

Mr. Y. K. Vyas, aged 59 years, has done B. E. (Mech). Mr. Vyas is working as Manager (Projects) and Zonal Manager (Rajkot) of Gujarat Industrial & Investment Corporation Ltd..

He joined the Board of the Company on 10.2.2015.

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

Mr. M. L. Tandon, aged 77 years, has done M.S.E.E.(Purdue), USA, MBA (U.S.C,U.S.A). He is an Industrialist. He is on the Board of several private and public limited companies. He is the Member of Audit Committee and Nomination & Remuneration Committee of the Company.

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

(viii) Mr. S. V. S. Raghavan (Non-Executive Director, Independent)

Mr. S. V. S. Raghavan, aged 86 years, is IDAS (Retd). He has been awarded Padmashri by Government of India for his excellent services. He was also given the award of the "First Citizen of India" by the President of India. He was the Chairman of BHEL, MMTC, STC, BBIL and retired in the rank of Secretary of the Ministry of Commerce, Government of India, New Delhi. He is the Chairman of Audit Committee and Nomination & Remuneration Committee.

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

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

Mr. P. K. Behl, aged 73 years, is First Class First Graduate Double Gold Medalist in Special Economics from Jaipur University. He retired as Executive Director (International Operations) from Life Insurance Corporation of India controlling in Sri Lanka, Mauritius, Nepal, U.K. and Bahrain and has vast knowledge on corporate matters. Short listed as Life Member for IRDA. Advisor for Asean University of Insurance and Risk Management (Proposed). He is the Member of Audit Committee and Nomination & Remuneration Committee of the Company.

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

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

Mr. Bimal Thakkar, aged 51 years, has done B.Com and Diploma in Export Management and has also done a course in International Business and Marketing from Trade Development Institute of Ireland. He has over two decades of experience and is currently spearheading the ADF Group. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets for the products in U.K. USA, Gulf, Australia, Europe etc. He is also on the Board of several public limited companies. He is a Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Company.

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

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

Mr. M. N. Rao, aged 79 years, is Science Graduate and Mechanical Engineer. He has worked with IDBI and has wide experience in Cement Industry.

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

(xii) Mr. K. N. Bhandari (Non-Executive Director, Independent)

Mr. K. N. Bhandari, aged 74 years, has done B.A., LL.B. He is the Ex-Chairman-cum-Managing Director of The New India Assurance Company Limited and United India Insurance Company Limited. Mr. Bhandari is having rich experience in the Insurance Industry. He is also on the Board of several public limited companies.

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

(xiii) Mrs. Bhagyam Ramani (Non-Executive Director, Independent)

Mrs. Bhagyam Ramani, aged 64 years, is a Post Graduate in Economic (Hons) with specialization in Industrial & Monetary Economics and retired as Director & General Manager of General Insurance Corporation of India, a Government of India Undertaking. She has more than 4 decades experience in various fields including finance and accounts. She is also on the Board of several public limited companies.

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

(xiv) Mr. M. S. Gilotra (Managing Director, Non-Independent)

Mr. M.S. Gilotra, aged 66 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of more than 4 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd (ACC). During his career he has acted as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures,

project execution and management. Mr. Gilotra is in charge of day-to-day operations of the Company and has substantial power of management. He is also the Managing Director of Saurashtra Cement Limited. He is a Member of Audit Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Company.

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

3.2 Directors Resigned during the year.

None of the directors resigned during the year.

3.3 Appointment / Re-appointment of Directors

Mr. M.N. Mehta shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

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

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

During the financial year under review, the Board had 5 meetings. The meetings were held on the 15th day of May, 2015, 10th day of August, 2015, 26th day of October, 2015, 1st day of February, 2016 and 7th day of March 2016. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on 22nd day of September, 2015. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relationships	No. of shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	3	No	Father of Mr. Jay Mehta	—
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	5	Yes	Son of Mr. M. N. Mehta	—
3.	Mrs. Juhi Chawla Mehta	Non-Executive, Non-Independent	5	No	Wife of Mr. Jay Mehta	278600
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	2	No	—	—
5.	Mr. Venkatesh Mysore	Non-Executive, Non-Independent	4	No	—	—
6.	Mr. Y. K. Vyas, GLIC Nominee	Non-Executive, Non-Independent	1	No	—	—
7.	Mr. M. L. Tandon	Non-Executive, Independent	2	No	—	—
8.	Mr. P. K. Behl	Non-Executive, Independent	5	Yes*	—	—
9.	Mr. S.V.S. Raghavan	Non-Executive, Independent	4	No	—	—
10.	Mr. Bimal Thakkar	Non-Executive, Independent	5	No	—	—
11.	Mr. M.N.Rao	Non-Executive, Independent	4	Yes	—	—
12.	Mr. K. N. Bhandari	Non-Executive, Independent	5	No	—	—
13.	Mrs. Bhagyam Ramani	Non-Executive, Independent	5	No	—	—
14.	Mr. M.S. Gilotra	Managing Director, Non-Independent	5	No	—	—

* as Alternate Chairman of the Audit Committee.

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

Separate Meeting of Independent Directors:

As per Schedule IV of the Companies Act, 2013 and Clause 25 of Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 1st day of February, 2016 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.

Agenda:

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

Information to the Board of Directors

The following information is placed before the Board as and when applicable:

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

Invitees & Proceedings:

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

3.5 Other Directorships

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

The details of the Directorships and Committee memberships in other Companies held by the Directors as on 31st March 2016 are given below:

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**	
			Chairman	Member
1.	Mr. M. N. Mehta, Chairman, Non-Executive, Non-Independent	6	–	–
2.	Mr. Jay Mehta, Executive Vice Chairman, Non-Independent	7	1	–
3.	Mrs. Juhi Chawla Mehta, Non-Executive, Non-Independent	–	–	–
4.	Mr. Hemnabh Khatau, Non-Executive, Non-Independent	6	–	–
5.	Mr. Venkatesh Mysore, Non-Executive, Non-Independent	2	–	–
6.	Mr. Y. K. Vyas, Non-Executive, Non-Independent	5	–	–
7.	Mr. M.L. Tandon, Non-Executive, Independent	9	–	–
8.	Mr. S.V.S. Raghavan, Non-Executive, Independent	1	–	1
9.	Mr. P. K. Behl, Non-Executive, Independent	1	–	–
10.	Mr. Bimal Thakkar, Non-Executive, Independent	3	–	2

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**	
			Chairman	Member
11.	Mr. M.N. Rao, Non-Executive, Independent	1	1	1
12.	Mr. K. N. Bhandari, Non-Executive, Independent	6	–	3
13.	Mrs. Bhagyam Ramani, Non-Executive, Independent	5	–	2
14.	Mr. M.S. Gilotra, Managing Director, Non-Independent	1	–	2

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

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

3.6 Familiarization Programme of the Independent Directors:

In accordance with the requirements of Listing Regulations 2015, the Company conducted a Familiarization Programme for all Independent Directors. The Independent Directors were made familiar with the role and duties of the Independent Directors under the Companies Act, 2013 and with the nature of the industry in which the Company operates, business model of the Company.

The programme was conducted by the veterans of the respective fields. Further details of the programme is available at the following link: <http://gscl.mehtagroup.com/announcements/familiarization-program-for-independent-directors-for-the-year-2015-16>.

3.7 Evaluation of the Board's Performance

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

4. AUDIT COMMITTEE:

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

The Audit Committee of the Board comprises of 5 members viz. Mr. S. V. S. Raghavan, Mr. M. L. Tandon, Mr. P. K. Behl, Mr. Bimal Thakkar and Mr. M. S. Gilotra, Managing Director of the Company. Mr. S. V. S. Raghavan is the Chairman of the Audit Committee.

During the year under review, the Committee had 4 meetings. The meetings were held on 15th day of May, 2015, 10th day of August, 2015, 26th day of October, 2015 and 1st day of February, 2016. Partners/Representative from M/s. Haribhakti & Co LLP, Chartered Accountants –Internal Auditors, M/s Manubhai & Shah LLP (formerly M/s.Manubhai & Shah) Chartered Accountants-Statutory Auditors also attended the meetings.

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

Members of the Audit Committee	No. of meetings held	No. of meetings attended
Mr. S. V. S. Raghavan, Chairman	4	3
Mr. M. L. Tandon, Member	4	2
Mr. P. K. Behl, Member	4	4
Mr. Bimal Thakkar, Member	4	4
Mr. M.S. Gilotra, Member	4	4

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

Terms of reference

To:

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

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

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

During the year under review, the Committee had one meeting held on 26th day of October, 2015 which was attended by all the Members. The Company has a policy in place on the Corporate Social Responsibility.

Terms of Reference:

- 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 thereunder and Schedule VII of the Act."

6. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors viz. Mr. S. V. S. Raghavan, Mr. P. K. Behl and Mr. M.L. Tandon. Mr. S. V. S. Raghavan is the Chairman of the Nomination and Remuneration Committee.

During the year under review, one meeting of Nomination and Remuneration Committee was held on 15th day of May, 2015.

Details of Nomination and 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. L. Tandon (Member)	1	–
3.	Mr. P. K. Behl (Member)	1	1

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

Terms of Reference

- 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;
- Formulate of criteria for evaluation of Independent directors and the Board;
- Devise a policy on Board diversity;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

REMUNERATION / COMPENSATION POLICY

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

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

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

DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR 2015-16.

Executive Directors :

₹ in Lacs

Name	Salary & Allowances	Perquisites	Contribution to PF	Contribution to Superannuation	Total
Mr. Jay M Mehta, Executive Vice Chairman	232.53	—	17.28	—	249.81
Mr. M.S. Gilotra, Managing Director	129.18	—	11.04	—	140.22

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

Non-Executive Directors :

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

Director	No. of Board Meetings attended	No. of Committee meetings attended	Total	Amount of sitting fees paid (₹)
Mr. M.N. Mehta, Chairman	3	—	4	1,50,000
Mr. M. L. Tandon	2	2	4	2,00,000 *
Mr. S. V. S. Raghavan	4	6	10	5,00,000 *
Mr. P. K. Behl	5	7	12	6,00,000 *
Mr. Bimal Thakkar	5	7	12	5,70,000 *
Mr. Hemnabh Khatau	2	—	2	1,00,000
Mr. Venkatesh Mysore	4	1	5	2,20,000
Ms. Juhi Chawla Mehta	5	1	6	2,70,000
Mr. M.N. Rao	4	2	6	3,00,000 *
Mr. K. N. Bhandari	5	2	7	3,50,000 *
Mr. Y.K.Vyas, GIIC Nominee	1	—	—	50,000
Mrs. Bhagyam Ramani	5	2	7	3,50,000 *
Total				36,60,000

* Sitting fees also include fees for the meeting of the Independent Directors held on 26th March 2015 and all the Independent Directors attended the said meeting.

The Company has not issued any stock options to any Directors and Employees for the Financial Year ended 31.3.2016 nor in the past.

7. STAKEHOLDERS RELATIONSHIP & GRIEVANCES COMMITTEE

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

During the year under review, the Committee had 4 meetings. The meetings were held on 15th day of May 2015, 10th day of August 2015, 26th day of October 2015 and 1st day of February 2016.

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

During the year, the Company received 15 complaints / letters from the shareholders which were attended to / resolved satisfactorily. All requests for transfer of shares have been processed normally within the prescribed time.

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

Terms of Reference

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

8. RISK MANAGEMENT COMMITTEE

The Company has constituted Risk Management Committee in 2014, pursuant to the requirement of earlier Clause 49 of the Listing Agreement with the Stock Exchange, which has now been replaced by the Listing Regulations, 2015. The Risk Management Committee comprises of Mr. Jay Mehta, Executive Vice Chairman, Mr. M.S. Gilotra, Managing Director and Mr. S. C. Khanna, Executive Director (Operations & Projects) as Members of the Committee. The Company Secretary of the Company is the Secretary of the Committee.

Risk Management Principles

The Company has formulated a risk management policy. The principles contained in the policy will be applied at both corporate and operational levels to all locations within the Company. These are broadly divided in two parts viz. General Principles and Specific Principles.

The general principles are :

- all risk management activities will be aligned to corporate aims, objectives and organizational priorities of the Company.
- Risk analysis will form part of the Company's strategic planning, business planning and investment / project appraisal procedures.
- Managers and staff at all levels will have a responsibility to identify, evaluate and manage and report risks.
- Risks will be primarily managed by the business functions transacting the business, which gives rise to risks.
- The Company will foster a culture, which provides for spreading best practice, lessons learnt, and expertise acquired from risk management activities across the Company for benefit.

The specific principles are :

- Risk Management in the Company should be proactive and reasoned. Corporate and operational risks should be identified, objectively assessed, and actively managed;
- The aim is to anticipate, and where possible, avoid risks rather than dealing with their impact. However for some key areas where the likelihood of a risk occurring is relatively small, but the impact on the Company is high, the Company may cover that risk by developing contingency plans, e.g. Business Continuity Plans. This will allow the Company to contain the negative effect of unlikely events which might occur.
- In determining an appropriate response, the cost of control / risk management, and the impact of risks occurring will be balanced with the benefits of reducing risk. This means that the Company will not necessarily set up and monitor controls to counter risks where the costs and efforts are disproportionate to the impact expected benefits.
- The Company recognizes that some risks can be managed by transferring them to a third party e.g. by out sourcing, or possibly, by insurance.

Based on the above principles, the Board at its meeting held on 4th August, 2014 adopted Risk Management Charter and Policy which is posted on the website of the Company.

During the year under review, the Committee had 4 meetings on 29th April, 2015, 7th August, 2015, 16th October, 2015 and 21st January, 2016 which was attended by all the members.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

Name of the Chairman	Address	Contact No(s).
Mr. S. V. S. Raghavan	Gujarat Sidhee Cement Limited, 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.

10. GENERAL BODY MEETINGS:

(i) Annual General Meetings

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

Financial Year	Date	Time	Venue	Dividend declared
2014-15	22.09.2015	10.30 am	Registered Office at "Sidheeagram" Off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Gir Somnath	Nil
2013-14	18.9.2014	4.30 p.m.	-do-	Nil
2012-13	30.7.2013	10.00 a.m.	-do-	Yes

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
2014-15	22.9.2015	- Replacement of existing Articles of Association with a new set of Articles of Association pursuant to Section 14 and other applicable provisions of the Companies Act, 2013. - Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for the Financial Year ended 31st March 2015. - Payment of Remuneration to Mr. Jay Mehta, Executive Vice Chairman for the period from 1.4.2015 to 31.12.2015. - Reappointment of Mr. Jay Mehta as Executive Vice Chairman for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. - Payment of Remuneration to Mr. M. S. Gilotra, Managing Director for the period from 1.4.2015 to 31.12.2015. - Reappointment of Mr. M. S. Gilotra as Managing Director for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. - Related Party Transactions pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013.
2013-14	18.9.2014	- Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for Financial Year ended 31st March 2014. - Waiver of excess remuneration paid to Mr. M.S.Gilotra, Managing Director for Financial Year ended 31st March 2014. - Power to the Board of Directors to create mortgage or charge on its movable or immovable properties for an amount not exceeding ₹ 500 crores in terms of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013. - Power to the Board of Directors to borrow money upto ₹ 500 crores in excess of the aggregate of the paid-up share capital and free reserves of the Company in terms of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013. - Related Party Transactions pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013.

2012-13	30.7.2013	1. Amending Article 117(a) of the Articles of Association of the Company by adding a sentence at the end of the existing Article that participation of Directors in a Board meeting may be either in person or through video conferencing or other audio visual means or audio as may be permitted by the applicable laws from time to time. 2. Substituting the existing Article 119 (a) with the new Article 119(a) for determining quorum of Directors participating in meeting of the Board through video conferencing or other audio visual means or audio as may be permitted by the applicable laws from time to time. 3. Power to the Board of Directors to borrow money not exceeding ₹ 500 crores at any time in terms of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956. 4. Power to the Board of Directors to create mortgage / charge on its movable or immovable properties for a sum not exceeding ₹ 500 crores in terms of Section 293(1)(a) of the Companies Act, 1956. 5. Increase in remuneration of Mr. Jay Mehta, Executive Vice Chairman w.e.f. 1.4.2013 upto 31.12.2013 and payment of commission of 2% of the Net Profit of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 w.e.f. 1.4.2013. 6. Payment of commission of 1% of the Net Profit of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 w.e.f. 1.4.2013 to Mr. M. S. Gilotra, Managing Director. 7. Alteration on Articles of Association by deleting existing Clause 3 with new Clause 3 in respect of Authorised Share Capital of the Company.
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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.

11. DISCLOSURES:

i) Related Party / Material Transactions

- a) The details of all transactions with related parties are placed before the Audit Committee and Board. The Company has a policy on dealing with the related party transactions. The related party transactions policy is available on the website of the Company. The web-link to the same is <http://gscl.mehtagroup.com/policy/related-party-transactions-policy>.
- b) During the year under review, there were no transactions of material nature with the Promoters, the Directors, Management or the subsidiaries or relatives of the Directors that had potential conflict with the Company. Transactions with related parties are mentioned in Note No.35 of Notes forming part of financial statements.

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

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

iii) Policy for determining the Material Subsidiaries:

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

iv) Disclosure of Accounting Treatment:

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

v) Disclosure on Risk Management:

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

vi) Code of Conduct:

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

by them was placed before the Board. A declaration by the CEO and CFO to the effect that the Board of Directors and the senior management has complied with the Code of conduct forms part of this report.

vii) CEO / CFO Certification

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

viii) Policy for preservation of documents

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

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

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

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

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

12. MEANS OF COMMUNICATION:

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

13. GENERAL SHAREHOLDERS INFORMATION:

i)	Audited results for the current Financial Year ended 31st March 2016.	27th May 2016	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2015) Quarter II (ending 30.9.2015) Quarter III (ending 31.12.2015) Quarter IV (ending 31.3.2016)	Within the period as stipulated under the SEBI Regulations 2015
iii)	Annual General Meeting is proposed to be held	Tuesday, the 23rd August, 2016	
iv)	Date of Book closure	Wednesday, the 17th August 2016 to Tuesday the 23rd August, 2016 (both days inclusive)	

v) Listing of Equity Shares on Stock Exchange at:

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

vi) Listing Fees:

The Company has paid Listing Fees for the Financial Year 2016-17 to the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE), where the Company's shares are listed.

vii) Registrar & Share Transfer Agent:

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

No complaint received from the shareholders / investors is pending as on 31.3.2016 relating to transfer of shares.

viii) Share Transfer System

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

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

ix) Distribution of Shareholding as on 31.3.2016:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	60533	92.33	6121793	7.12
501 – 1000	2288	3.49	1794645	2.08
1001 – 2000	1382	2.11	2010747	2.33
2001 – 3000	476	0.73	1210317	1.40
3001 – 4000	177	0.27	632339	0.73
4001 – 5000	186	0.28	888710	1.03
5001 – 10000	265	0.40	1925269	2.23
10001 – above	258	0.39	71570032	83.08
TOTAL	65565	100.00	86153852	100.00

x) Shareholders Profile as on 31.3.2016:

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	18	0.03	61978051	71.94
Bodies Corporate	640	0.98	3231752	3.75
NRIs	546	0.83	566851	0.66
FII's	11	0.02	23175	0.03
Financial Institutions	1	–	275	–
Banks	8	0.01	818314	0.95
Mutual Fund	7	0.01	31256	0.04
Overseas Corporate Bodies	2	–	8550	0.01
Indian Public	64332	98.12	19495628	22.62
Total	65565	100.00	86153852	100.00

xi) Dematerialization of shares:

As on 31.3.2016, 6,48,39,968 equity shares constituting 98.03% of the Company's total paid-up share capital were held in dematerialized form with NSDL and CDSL. (2,00,00,000 equity shares fully paid up allotted to Promoters is not dematerialized pending listing approval.)

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

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

xiii) Stock Market price data for the period 2015 – 2016:

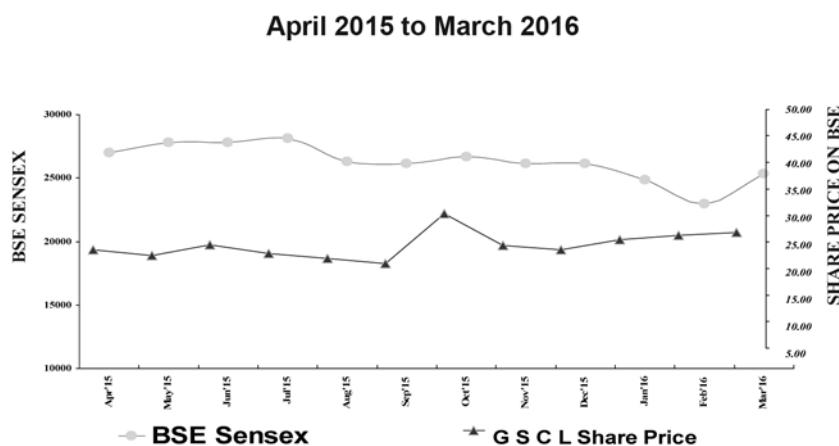
GSCL Price on BSE & NSE

(Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2015	28.80	22.05	29.00	22.00
May 2015	24.00	20.50	23.40	20.60
June 2015	22.90	19.10	23.35	19.15
July 2015	33.05	20.50	33.00	20.15
August 2015	31.40	21.40	31.50	21.10
September 2015	25.10	22.55	25.45	20.30
October 2015	32.10	24.05	32.20	23.55
November 2015	27.20	23.30	27.25	23.20
December 2015	29.95	23.80	30.00	23.25
January 2016	28.05	21.15	27.85	20.65
February 2016	27.80	21.00	27.90	21.20
March 2016	26.70	22.25	26.75	22.50

xiv) Stock Performance (Index)

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



Plant Location :

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

(xv) Address for correspondence :

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

Shareholder correspondence should be addressed to Registrar & Share Transfer Agent :

M/s. Link Intime India Pvt Ltd
(Unit) Gujarat Sidhee Cement Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078. Tel.: 022-25963838, Fax: 022-25966969
Contact Person : Mr. Sharad Patkar

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

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

xvi) Mandatory requirement of PAN:

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

14. NON MANDATORY REQUIREMENTS :

(a) Chairman's Office :

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

(b) Shareholders Rights :

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

(c) Auditor's Opinion :

The Company's Standalone Financial Statements for the year ended 31st March 2016 does not have any qualification.

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

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

(e) Reporting of internal auditor :

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

(f) Code for Prohibition of Insider Trading

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

(g) Subsidiary Company

The Company has material non listed Indian Subsidiary Company as on 31.3.2016 namely M/s.Villa Trading Co. Private Limited. The Company has appointed Mr. Bimal Thakkar, an Independent Director on the Board of subsidiary company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 27.5.2016

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT.

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2016.

On behalf of the Board of Directors

Place : Mumbai
Dated : 27.5.2016

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
GUJARAT SIDHEE CEMENT LIMITED

Auditor's Certificate on Corporate Governance

We have examined the relevant records of Gujarat Sidhee Cement Limited (the Company) for the year ended March 31, 2016 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement (Listing Agreement) entered into, by the Company, with the Stock Exchanges for the period 01 April 2015 to 30 November 2015 and as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 ('Listing Regulations') for the period 01 December 2015 to 31 March 2016.

Management's responsibility

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

Auditor's responsibility

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

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

Conclusion

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance as specified in Clause 49 of the Listing Agreement and regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing regulations, as applicable.

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

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

(Darshan Shah)
Partner
Membership No.131508

Place: Mumbai
Date: May 27, 2016

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 PROVISIO THERETO.

1. Details of contracts or arrangements or transactions not at arm's length basis –

Not Applicable.

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

- I. (a) Name(s) of the related party and nature of relationship
Saurashtra Cement Limited – Associate Company.
- (b) Nature of contracts/arrangements/transactions
 - a. Purchase of power of upto 5 MW under wheeling arrangement for a term of 3 to 5 years.
 - b. Sale / Purchase of clinker and cement at market rate.
 - c. Availing, rendering services like administration, human resources and Sharing of common expenses on agreed formula.
 - d. Brand fee for use of Brand "Hathi" as per Brand valuation report.

All above transactions are at prevailing market price and at arms length basis.
- (c) Duration of the contracts/arrangements/transactions
On going with the approval of the Board.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Please refer item (b) above.
- (e) Date(s) of approval by the Board, if any.
15th May 2015
- (f) Amount paid as advances, if any.
NIL

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

On behalf of the Board of Directors

Place : Mumbai
Dated : 27.5.2016

M.S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

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 10th February 2015. The same is available on the website of the Company at http://gscl.mehtagroup.com/policy/csr-policy .
2.	Composition of CSR Committee	Mr. Jay Mehta, Executive Vice Chairman Mr. M. S. Gilotra, Managing Director Ms. Juhi Chawla Mehta, Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	₹ 1728.30 lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 34.57 lacs
5.	Details of CSR spent during the financial year	₹ 29.98 lacs
The manner in which the amount has been spent during the financial year under review is given below:		

Sr. No.	Title of the Project	Justification	Spent (₹ in lacs)
1	NKDAV Public School	The School has total strength of 734 students, out of which 522 students (71%) are from surrounding Villages and others and is run by the Company. The School has been providing quality education in the area and has been a great asset to the nearby localities.	19.05
2	Donation of Ambulance	An Ambulance provided to Prashnawada Grampanchayat to cater Medical facilities to the nearby villages. This will enable them to shift patients from Prashnawada to Junagadh, Rajkot, Jamnagar and Ahmedabad etc. in emergency cases.	10.93
		Total	29.98

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

TO
THE MEMBERS
M/S GUJARAT SIDHEE CEMENT LIMITED
SIDHEEGRAM VERAVAL,
JUNAGADH, GUJARAT-362276

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT SIDHEE CEMENT LIMITED (CIN: L26940GJ1973PLC002245)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provisions of applicable laws and regulations.

Auditors Responsibility

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, 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, 2016 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;
- (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, 1992. **presently (Prohibition of Insider Trading) Regulations 2015.**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period); **presently (share based employees 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.
- 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).

We further report that during the reporting period, there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings made by / in the Company and as such the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made were not applicable.

- (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;
- 4. Environment Protection Act, 1986 and other Environmental Laws;
- 5. Employees State Insurance Act, 1948;
- 6. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- 7. Indian Contract Act, 1872;
- 8. Minimum Wages Act, 1948;
- 9. Negotiable Instruments Act, 1881;
- 10. The Trade Marks Act 1999;
- 11. The Patents Act, 1970
- 12. The Copyright Act 1957;
- 13. The Legal metrology Act, 2009;
- 14. Acts as prescribed under Shop and Establishments act of various local authorities.

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

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

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

We further report that:

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

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

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

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

For **Ragini Chokshi & Co.**

Mrs. Ragini Chokshi
(Partner)

Place : Mumbai

C.P.NO. 1436

Date : May 4th, 2016.

FCS NO. 2390

ANNEXURE F

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2016.

A. Conservation of Energy :

a) Energy Conservation Measures Taken:

1. By optimisation of desired Motor Load & Installation of energy conservation system (SPRS) in kiln string.
2. Modification in Preheater Cyclones to reduce the Specific Fuel Consumption by 7%.

b) Additional Investment & Proposal, if any, being implemented for Reduction of Energy.

1. Installation of WHR System for further reduction of energy in process.

c) Impact of the Measures at (a) & (b) above.

Energy Conservation.

B. Technology Absorption

Efforts made in Technology are given below:

RESEARCH AND DEVELOPMENT (R&D):

1. RESEARCH AND DEVELOPMENT HAS BEEN CARRIED OUT FOR IMPROVEMENT IN THE FOLLOWING AREAS:

Trial taken for enhancement of Cement Mill Grinding Capacity by Grinding Aid.

2. FOLLOWING BENEFITS WERE DERIVED OF THE ABOVE R & D:

Capacity enhancement of Cement Grinding.

3. FUTURE PLAN OF ACTION:

- a. Close circuiting of cement mills to improve cement quality and increase output.
- b. Loss in Weight System for Kiln and Calciner coal firing.
- c. Installation of waste heat recovery system.

4. EXPENDITURE ON R & D:

(₹ in Lacs)

- | | |
|--|-----|
| a. Capital | Nil |
| b. Recurring | Nil |
| c. Total | Nil |
| d. Total R & D expenditure as a percentage of total turnover | N.A |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Information regarding technology imported during the last five years:

a. Technology Imported

1. Clinker cooling by IKN Kids stationary grate – IKN Germany
2. Improved flame characteristics by burner pipe –Pillard, France.
3. Installation of membrane type filter bags –Gore, USA

b. Year of Import

1. 2012
2. 2012
3. 2013

c. Has Technology been fully absorbed

Yes.

d. If not fully absorbed, areas where this has not been taken place, reason thereof and future plan of action.

N.A.

C. Foreign Exchange Earning & Outgo

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Exploring new market for exports of Clinker and Cement. Improvements in logistics for flexibility to export cement and clinker in bags / break bulk and bulk.

- b. Total Foreign Exchange used and earned.

	Current Year 2015-16 (₹ in Lacs)	Previous Year 2014-15 (₹ in Lacs)
Foreign Exchange earned	2,475.41	489.18
Foreign Exchange used	3,433.67	2,619.74

ANNEXURE G

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L26940GJ1973PLC002245
2.	Registration Date	29th March, 1973
3.	Name of the Company	GUJARAT SIDHEE CEMENT LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	Off Veraval-Kodinar Highway, Sidheegram – 362 276, Tal: Sutrapada, District: Gir Somnath, Gujarat Tel. No. 02876-268200, Fax : 02876-268540 E-mail : gsclinvestorquery@mehtagroup.com, Website : www.gujaratsidheecementlimited.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078, Tel No. 022-25963838, Fax : 022-25946969.

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual / HUF	1154525	5950	1160475	1.75	280525	5950	286475	0.33	- 1.42
b) Central Govt.	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.(s)	8252697	—	8252697	12.48	8252697	—	8252697	9.58	-2.90
d) Bodies Corp.	31547041	—	31547041	47.69	51486129	—	51486129	59.76	12.07
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Sub –Total (A)(1)	40954263	5950	40960213	61.92	60019351	5950	60025301	69.67	7.75
(2) Foreign									
a) NRIs- Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	1078750	—	1078750	1.63	1952750	—	1952750	2.27	0.64
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
Sub –Total (A)(2)	1078750	—	1078750	1.63	1952750	—	1952750	2.27	0.64
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	42033013	5950	42038963	63.55	61972101	5950	61978051	71.94	8.39
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	31256	31256	0.05	—	31256	31256	0.04	-0.01
b) Banks / FI	723377	26800	750177	1.13	791764	26800	818564	0.95	-0.18
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt.(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance companies	—	—	—	—	—	—	—	—	—
g) FIs	—	23175	23175	0.03	25	23175	23200	0.03	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	723377	81231	804608	1.21	791789	81231	873020	1.02	-0.19
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3052527	139819	3192346	4.83	3092683	139069	3231752	3.75	-1.08
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12718759	1021680	13740439	20.77	11774400	1008550	12782950	14.84	-5.93
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5355567	22700	5378267	8.13	5435626	22700	5458326	6.34	-1.79
c) Others (specify)									
Non Resident Indians	533559	54949	588508	0.89	520195	46656	566851	0.65	-0.24
Overseas Corporate Bodies	—	8550	8550	0.01	—	8550	8550	0.01	—
Foreign Companies	—	—	—	—	—	—	—	—	—
Clearing Members	400618	—	400618	0.61	402630	—	402630	0.47	-0.14
Office Bearers	—	1178	1178	—	—	1178	1178	—	—
Trusts	375	—	375	—	375	—	375	—	—
HUF	—	—	—	—	850169	—	850169	0.98	0.98
Foreign Investor	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	22061405	1248876	23310281	35.24	22076078	1226703	23302781	27.04	-8.20
Total Public Shareholding (B) = (B)(1) + (B)(2)	22784782	1330107	24114889	36.45	22867867	1307934	24175801	28.06	-8.39
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	64817795	1336057	66153852	100.00	84839968	1313884	86153852	100	0

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sumraj Holding Pvt. Ltd	455629	0.69	—	455629	0.53	—	-0.16
2.	Sunnidhi Trading Pvt Ltd	1000	—	—	1000	—	—	—
3.	Ria Holdings Ltd	742500	1.12	0.77	742500	0.86	—	-0.26
4.	Prachit Holdings Ltd	742500	1.12	0.77	742500	0.86	—	-0.26
5.	Pranay Holdings Ltd	740000	1.12	0.77	740000	0.86	—	-0.26
6.	Sameta Exports Pvt. Ltd.	750	—	—	750	—	—	—
7.	Shree Anandeya Investments Pvt. Ltd	2500	—	0.01	2500	—	—	—
8.	Reeti Investments Ltd	60912	0.09	0.14	—	—	—	-0.09
9.	Gujarat Industrial Investment Corp Ltd	8252697	12.48	—	8252697	9.58	—	- 2.90
10	J. Chawla Mehta	1152600	1.75	—	278600	0.32	—	-1.43
11.	Pallor Trading Company Pvt. Ltd	1250	—	—	1250	—	—	—
12.	Treasurers Trading Limited	101750	0.15	—	101750	0.12	—	-0.03
13.	The Arj Investment Limited	977000	1.48	—	977000	1.13	—	-0.35
14.	Bhadra textiles & Trading Private Limited	28800000*	43.54	—	48800000**	56.64	—	13.11
15.	Promilla Subhashchandra Khanna	1925	—	—	1925	—	—	—
16.	Atul C. Khanna	5950	0.01	—	5950	0.01	—	—
17.	Samja Mauritius Limited	—	—	—	874000	1.02	—	1.02
	TOTAL	42038963	63.55	—	61978051	71.94	—	8.39

Note: Percentage rounded off to nearest decimal.

* Includes Allotment of 2,38,00,000 of ₹ 10 each shares was made on 19.03.2015 as per BIFR order dated 08/01/2013 for which listing was done in current financial year.

** Includes Allotment of 2,00,00,000 shares made on 23/03/2015 of ₹ 10 each of which ₹ 2.50 per share was paid and remaining amount of ₹ 7.50 per share was paid on 7/03/2016 making the total shares fully paid up.

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

Sr. No.	Name of the Shareholder	Date	Particulars	Shareholding at beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Juhi Chawla Mehta	01.04.2015		1152600	1.75	11,52,600	1.75
		03.11.2015	Inter se Transfer (Sale)			8,74,000	1.32
			Shares held at the end of the year			2,78,600	0.32
2	Bhadra Textiles and Trading Private Limited	01.04.2015		2,88,00,000*	43.54	2,88,00,000*	43.54
			Allotment	—	—	2,00,00,000**	23.22
			Shares held at the end of the year			4,88,00,000	56.65

* Includes Allotment of 2,38,00,000 of ₹ 10 each shares was made on 19.03.2015 as per BIFR order dated 08/01/2013 for which listing was done in current financial year.

** Includes Allotment of 2,00,00,000 shares made on 23/03/2015 of ₹ 10 each of which ₹ 2.50 per share was paid and remaining amount of ₹ 7.50 per share was paid on 7/03/2016 making the total shares fully paid up.

3	Samja Mauritius Limited	01.04.2015		—	—	—	—
		03.11.2015	Inter se Transfer (Sale)			8,74,000	1.02
			Shares held at the end of the year			8,74,000	1.02

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	State Bank of India Stressed Assets Management	723077	1.09	723077	0.84
2.	B. Subraya Baliga	676489	1.02	676289	0.78
3.	Anil Bansilal Lodha	392418	0.59	447957	0.52
4.	Sarla Laxminiwas Janu	356827	0.54	355377	0.41
5.	Bonanza Portfolio Limited	229093	0.35	285155	0.33
6.	Bang Equity Broking Pvt Ltd	205937	0.31	205937	0.24
7.	Abl Infrastructure Private Limited	181859	0.28	203331	0.24
8.	Amritlal Kalidas Thosani	200000	0.30	200000	0.23
9.	Nikhil P. Desai	180000	0.27	180000	0.21
10.	Dalmia Sec Pvt. Ltd	175000	0.26	175000	0.20
11.	Rajkot Nagarik Sahakari Bank Ltd	1035912	1.57	60912	0.07

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Date	Particulars	Shareholding at beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Juhi Chawla Mehta	1-Apr-2015	At the beginning of the year	1152600	1.75	1152600	1.75
		03-Nov-2015	Inter se Transfer (Sale)			8,74,000	1.32
		31-Mar-2016	At the end of the year			2,78,600	0.32
2.	Mr. M.S. Gilotra (Managing Director)	1-Apr-2015	At the beginning of the year	NIL	NIL	NIL	NIL
		31-Mar-2016	At the end of the year	NIL	NIL	NIL	NIL
3.	Mr. V.R. Mohnot (C.F.O & Co. Secretary)	1-Apr-2015	At the beginning of the year	NIL	NIL	NIL	NIL
		31-Mar-2016	At the end of the year	NIL	NIL	NIL	NIL

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1949.05	–	–	1949.05
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	1949.05	–	–	1949.05
Change in Indebtedness during the financial year				
* Addition	–	–	–	–
* Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	1949.05	–	–	1949.05

VI. REMUNERATION OF DIRECTORS / KEY MANAGERIAL PERSONNEL-

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Mr. Jay Mehta, Executive Vice-Chairman (1-4-2015 to 31-3-2016)	Mr. M. S. Gilotra, Managing Director (1-4-2015 to 31-3-2016)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	249.81	140.22	390.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total (A)	249.81	140.22	390.03
	Ceiling as per the Act*			

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount ₹ Lakhs
1	Independent Directors	Mr. S. V. S Raghavan	Mr. M.N. Rao	Mr. K. N. Bhandari	Mr. M. L. Tandon	Mr. Bimal Thakkar	Mr. P K Behl	Mrs. Bhagyam Ramani	
	Fee for attending Board / committee meetings	5.00	3.00	3.50	2.00	5.70	6.00	3.50	28.70
	Commission	–	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–	–
	Total (1)	5.00	3.00	3.50	2.00	5.70	6.00	3.50	28.70
2	Other Non-Executive Directors	Mr. M. N. Mehta	Mr. Jay Mehta	Mr. Hemnabh Khatau	Ms. Juhi Chawla	Mr. Venkatesh Mysore	Mr. Y. K. Vyas (GLIC Nominee)	Mr. M. S. Gilotra	
	Fee for attending Board / committee meetings	1.50	–	1.00	2.70	2.20	0.50	–	7.90
	Commission	–	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–	–
	Total (2)	1.50	–	1.00	2.70	2.20	0.50	–	7.90
	Total (B)=(1+2)								36.60
	Total Managerial Remuneration								36.60
	Overall Ceiling as per the Act**								

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

** ₹ 1 lac per Director per meeting attended.

Note: Sitting fees also include fees for the meeting of the Independent Directors held on 26th March 2015 and all the Independent Directors attended the said meeting.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer and Company Secretary Mr. V. R. Mohnot (for the period 1-4-2015 to 31-3-2016) (₹ in lacs)	Total Amount (₹ in lacs)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	95.50	95.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.54	13.54
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total	109.04	109.04

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE H

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

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

Executive Directors	Remuneration per annum 2015-16 (Please refer Note)	Employee Salary per annum – median*	Ratio
Mr. Jay Mehta	₹ 249.81 lacs	₹ 4.08 lacs	61:1
Mr. M. S. Gilotra	₹ 140.22 lacs	₹ 4.08 lacs	34:1

Note : Remuneration means as defined under Section 2 (78) of the Companies Act, 2013.

* Does not include the salaries paid to Wage Board employees as per the wage board settlement agreement.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	2014-15 (₹ in Lacs)	2015-16 (₹ in Lacs)	% increase
Mr. Jay Mehta	Executive Vice Chairman	280.31	249.81	-10.88%
Mr. M. S. Gilotra	Managing Director	128.16	140.22	9.41%
Mr. V. R. Mohnot	CFO & Company Secretary	44.71	109.04	–

Note : The remuneration paid to Chief Financial Officer & Company Secretary is for the period 1.10.2014 to 31.3.2015 since he was appointed in the Company during part of the financial year 2014-15. Therefore, the details of increase over previous year does not arise.

- c. The percentage increase in the median remuneration of employees in the financial year:

MEDIAN SALARY PA*		
2014-15	2015-16	% Increase
₹ 3.47 lacs	₹ 4.08 lacs	17.44%

* Does not include the salaries paid to Wage Board employees as per the wage board settlement agreement.

- d. The number of permanent employees on the rolls of company:

PERMANENT EMPLOYEES	445
---------------------	-----

- e. The explanation on the relationship between average increase in remuneration and company performance:

Particulars	2014-15 (₹ Lacs)	2015-16 (₹ lacs)
Revenues from Operations / Turnover	48,403.40	46,906.58
EBITDA	940.15	118.67
EBITDA as % of Turnover	1.94%	0.25%
PBT	(680.19)	(1189.96)
PBT as % of Turnover	-1.41%	-2.54%

The revenue from operations of the Company for the Financial Year 2015-16 decreased by around 3% compared to the previous year. This was mainly due to general slowdown of the Cement Industry. The average percentage increase in the remuneration of employees is around 13.12% which does not include the salaries paid to Wage Board employees as per the Wage Board settlement agreement. The average increase in the remuneration of employees is guided by various factors such as performance of employees during the year, potential growth of employees, increments given in the past, inflation rate of India, Company's profitability and cement market conditions - present and future.

f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of KMP in Financial Year 2015-16 (₹ in crores)	4.99
Total Revenue (₹ in crores)	469.07
Remuneration of KMPs (as % of Total Revenue)	1.06
Profit before Tax (₹ in crores)	(11.90)
Remuneration of KMPs (as % of Profit before Tax)	—

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31,2015	March 31,2016	% Change
Market Capitalisation (₹ crores)	172.18	211.08	22.59
Price Earnings Ratio	-23.05	-24.50	—

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2016	2 nd August, 1994 (IPO)	% Change
Market Price per share (BSE)	₹ 24.50	₹ 23.00	6.52

i. 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 13.12%. This does not include the salaries paid to wage board employees as per the wage board settlement agreement. The justification of increase in managerial remuneration is provided at (f) above.

j. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

	Mr. Jay Mehta, Executive Vice Chairman	Mr. M.S. Gilotra, Managing Director
Remuneration in FY 16 (₹ crores)	2.49	1.40
Revenue (₹ crores)	469.07	469.07
Remuneration as % of revenue	0.53%	0.30%
Profit before Tax (PBT) (₹ crores)	(11.90)	(11.90)
Remuneration (as % of PBT)	—	—

k. The key parameters for any variable component of remuneration availed by the directors:

Not applicable.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Nil

m. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

n. The statement containing particulars of employees as required under Section 197(12) of the Act ready with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below.

The following details are given hereunder in respect of employees employed throughout the year and were in receipt of remuneration of not less than ₹ 60 lacs per annum.

Name of the Employee	Mr. A. M Fadia	Mr. Randhir Singh
Designation of the employee	Director - Legal	Director – Marketing & Sales
Remuneration received	₹ 66.71 lacs	₹ 83.27 lacs
Nature of employment, whether contractual or otherwise	Permanent	Permanent
Qualification and experience of the employee	B.Com, LLB., C.A.,C.S. 45 years of experience	B.E.(Mech.),PG DIP in Business Admn. 17 years of experience
Date of commencement of employment	1.2.2009	27.7.2010
Age	71	44
Last employment held by such employee before joining the company	Saurashtra Cement Limited	Bagalkot Cement & Industries Ltd.
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Nil	Nil
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No	No

Details of the employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month.

Name of the Employee	Mr. S. N. Junnarkar	Mr. Dinesh Randad
Designation of the employee	President – Works	President - Works
Remuneration received	₹ 39.52 lacs	₹ 49.88 lacs
Nature of employment, whether contractual or otherwise	Resigned	Permanent
Qualification and experience of the employee	B.Sc. Engg. (Electrical) 30 years of experience	B.Tech (Chemical), Diploma in Business Management 29 years of experience
Date of commencement of employment	20.8.2012 and resigned w.e.f.15.9.2015	3.8.2015
Age	63	53
Last employment held by such employee before joining the company	Dangote Cement Plc. Nigeria	Binani Cement Limited
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Nil	Nil
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No	No

Details of the employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the company.

None

On behalf of the Board of Directors

Place : Mumbai

Dated : 27.5.2016

M.S. Gilotra

Managing Director

Jay Mehta

Executive Vice Chairman

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
GUJARAT SIDHEE CEMENT LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GUJARAT SIDHEE CEMENT LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to following notes:

- (i) Note 35(B)(1) to the standalone financial statements, relating to remuneration paid to Executive Vice Chairman for the Financial Years 2015-16 and 2014-15 in excess of the limit prescribed under sections 197 and 198 read with schedule V to the Companies Act, 2013 which is subject to approval of Central Government.

- (ii) Note 37(b) to the standalone financial statements regarding continuing recognition of MAT Credit Entitlement of earlier years for the reasons stated in the said note.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - (ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Date: May 27, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)
Partner
Membership No.131508

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements to the members of Gujarat Sidhee Cement Limited (the Company) for the year ended March 31, 2016]

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, other than underground Sidhee Cement pipelines which are not physically verifiable, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has not given any loans to which provisions of section 185 of the Act is applicable.
- (v) The Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (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 the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including employee state insurance, provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities though there has been some delay in few cases.

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, 2016 for a period of more than six months from the date they became payable.

- (b) The particulars of dues as at March 31, 2016 of service tax, sales tax, excise duty, custom duty and income tax which have not been deposited on account of a dispute, are given hereunder :

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Financial Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	36.72	1992-93	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	8.08	2008-09 TO 2010-11	Customs, Excise & Service Tax Appellate Tribunal

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Financial Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	6.23	2011-12	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	2.92	2012-13	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	35.85	1995-96	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	0.62	2008-09	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	202.37	2012-13	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	218.22	2012-13	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	6.32	2007-08	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	302.61	2009-10	Commissioner, Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	162.70	2010-11	Commissioner, Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	261.83	2008-09	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	42.01	2009-10	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	302.39	2010-11	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	408.40	2011-12	Customs, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	6.84	2012-13	Customs, Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Deducted at Source	1.50	2006-07	Commissioner, Income Tax
Rajasthan Sales Tax Act, 1994	Sales Tax	24.73	1997-98	Rajasthan High Court
Gujarat Sales Tax Act, 1961	Sales Tax	121.21	2002-03 to 2004-05	Joint Commissioner, Rajkot
Gujarat Value Added Tax Act, 2003	Value Added Tax	321.88	2006-07 & 2007-08	Tribunal, Gujarat Value Added Tax

- (viii) The Company has not defaulted in repayment of loans or borrowing dues to financial institution, bank or Government. The company has not issued debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Money raised from term loans have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or

on the Company by its officers or employees has been, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (xi) In view of inadequacy of profit for the year 2015-16, remuneration paid by the Company to Executive Vice Chairman is in excess by ₹ 163.44 lacs of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The company proposes to make application to Central Government for allowing the payment of excess remuneration. Further, in view of inadequacy of the profit for the year 2014-15, remuneration paid by the Company to Executive Vice Chairman was in excess by ₹ 184.79 lacs of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. The company has made application to the Central Government for obtaining approval to payment of excess remuneration.

The company has obtained undertaking from Executive Vice Chairman for repayment of excess remuneration in case the Central Government does not approve the payment of excess remuneration. Attention is also invited to Note 35(B)(1) to the Financial statements.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: May 27, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)
Partner
Membership No.131508

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements for the year ended March 31, 2016 to the members of Gujarat Sidhee Cement Limited (the company)]

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

We have audited the internal financial controls over financial reporting of **GUJARAT SIDHEE CEMENT LIMITED ("the Company")**, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)

Partner

Membership No.131508

Place: Mumbai

Date: May 27, 2016

BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Note No.	As at March 31, 2016 ₹ In lacs	As at March 31, 2015 ₹ In lacs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	8,620.69	7,120.69
(b) Reserves and surplus	3	9,113.18	9,835.56
		<u>17,733.87</u>	<u>16,956.25</u>
(2) Non-current liabilities			
(a) Long-term borrowings	4	293.28	12.42
(b) Deferred tax liabilities (Net)	5	—	467.58
(c) Other long-term liabilities	6	581.96	533.87
(d) Long-term provisions	7	2,638.88	2,453.16
		<u>3,514.12</u>	<u>3,467.03</u>
(3) Current liabilities			
(a) Short-term borrowings	8	1,486.12	1,894.31
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		1.86	5.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,623.26	6,465.76
(c) Other current liabilities	10	3,874.69	3,864.46
(d) Short-term provisions	11	141.05	153.45
		<u>11,126.98</u>	<u>12,383.80</u>
TOTAL		<u>32,374.97</u>	<u>32,807.08</u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	12	9,947.60	9,887.83
(ii) Intangible assets	12	46.72	83.01
(iii) Capital work-in-progress	12	470.57	354.25
(b) Non-current investments	13	7,433.18	6,033.18
(c) Long-term loans and advances	14	2,577.26	2,672.54
(d) Other non-current assets	15	770.98	151.70
		<u>21,246.31</u>	<u>19,182.51</u>
(2) Current Assets			
(a) Current Investments	16	0.06	0.06
(b) Inventories	17	5,480.35	6,221.77
(c) Trade receivables	18	1,230.88	1,659.88
(d) Cash and bank balances	19	3,352.18	4,866.50
(e) Short-term loans and advances	20	928.10	656.86
(f) Other current assets	21	137.09	219.50
		<u>11,128.66</u>	<u>13,624.57</u>
TOTAL		<u>32,374.97</u>	<u>32,807.08</u>

Significant Accounting Policies and Notes to Accounts

1 to 38

See accompanying Notes to Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

Chairman

Jay M. Mehta

Executive Vice Chairman

S. V. S. Raghavan

Director

M. S. Gilotra

Managing Director

V. R. Mohnot

CFO & Company Secretary

Mumbai, Dated May 27, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Note No.	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
1 Revenue from operations	22	52,938.85	54,520.21
Less : Excise Duty		6,032.27	6,116.81
		<u>46,906.58</u>	<u>48,403.40</u>
2 Other income	23	681.57	775.23
3 Total Revenue (1+2)		<u><u>47,588.15</u></u>	<u><u>49,178.63</u></u>
4 Expenses :			
a. Cost of material consumed	24	9,303.58	6,873.00
b. Changes in inventories of finished goods and work-in-progress	25	(727.49)	(421.51)
c. Employee benefits expenses	26	3,183.65	3,008.77
d. Finance cost	27	427.98	472.13
e. Depreciation and amortisation expenses	12	880.65	1,148.21
f. Other expenses	28	35,709.74	38,122.55
Total Expenses		<u><u>48,778.11</u></u>	<u><u>49,203.15</u></u>
5 (Loss) before exceptional items and tax (3-4)		(1,189.96)	(24.52)
6 Exceptional items	29	-	(655.67)
7 (Loss) before tax (5+6)		<u>(1,189.96)</u>	<u>(680.19)</u>
8 Tax expense:			
Deferred Tax Charge / (Credit)		(467.58)	(231.32)
9 (Loss) for the year (7-8)		<u><u>(722.38)</u></u>	<u><u>(448.87)</u></u>
10 Earnings per equity share of ₹ 10 each :	30		
Basic and Diluted - ₹ per share		(1.00)	(1.05)

Significant Accounting Policies and Notes to Accounts

1 to 38

See accompanying Notes to Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

Jay M. Mehta

S. V. S. Raghavan

M. S. Gilotra

V. R. Mohnot

Chairman

Executive Vice Chairman

Director

Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the Year ended March 31, 2016 ₹ In lacs	For the Year ended March 31, 2015 ₹ In lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
(LOSS) BEFORE TAX	(1,189.96)	(680.19)
Adjustments for		
Depreciation	880.65	1,148.21
Finance Cost	427.98	472.13
Interest Income	(407.80)	(440.05)
Loss of sale / discard of fixed assets	18.58	39.83
Exceptional Item	—	655.67
Profit on sale of fixed assets	(3.96)	—
Bad Debts written off	52.76	13.49
Provision for doubtful debtors and advances written back (Net)	(51.43)	(23.09)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(273.18)	1,186.00
Adjustments for		
Trade receivables	429.25	50.40
Loans and Advances	(249.81)	1,043.77
Inventories	741.42	(424.04)
Trade payable	(846.46)	(166.61)
Other Liabilities	9.39	443.63
Provisions	173.32	443.00
CASH GENERATED FROM OPERATIONS	(16.07)	2,576.15
Income-tax (paid) / refund (net)	72.27	273.90
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	56.20	2,850.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets / intangible assets / work in process	(1,070.39)	(578.62)
Investment in OCD of Subsidiary Company	(1,400.00)	(5,250.30)
Sale of fixed / discarded assets	35.32	725.49
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(2,435.07)	(5,103.43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	399.21	35.14
Repayment of Long-term Borrowings	(69.42)	(47.51)
Repayment of Short-term Borrowings (net)	(408.19)	(37.27)
Deposits held as margin money (net)	(619.28)	172.95
Finance Cost	(427.98)	(472.13)
Interest Income	490.21	374.52
Increase in Share Capital	1,500.00	3,000.00
NET CASH FLOW FROM FINANCING ACTIVITIES	864.55	3,025.70
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,514.32)	772.32
CASH AND CASH EQUIVALENTS AS ON 01.04.2015	4,866.50	4,094.18
CASH AND CASH EQUIVALENTS AS ON 31.03.2016	3,352.18	4,866.50

Note:

- Cash Equivalents include ₹ 3,350.96 lacs (previous year ₹ 4,864.49 lacs) being Bank Balances and Fixed Deposits with Banks. Bank balances include earmarked balances of ₹ 14.35 lacs (previous year ₹ 14.37 lacs).
- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard AS - 3 specified under section 133 of the Companies Act, 2013.
- Figures in bracket indicate Cash Outflow.

See accompanying Notes to Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

Chairman

Jay M. Mehta

Executive Vice Chairman

S. V. S. Raghavan

Director

M. S. Gilotra

Managing Director

V. R. Mohnot

CFO & Company Secretary

Mumbai, Dated May 27, 2016

Note No. 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of Accounting :

The financial statements are prepared as under :

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

1.2 Use of Estimates:

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

1.3 Revenue Recognition :

- (a) Sales are accounted on dispatch of goods to customers. Sales figures are inclusive of excise duty, but are net of sales tax, value added tax, sales returns and adjustment in respect of discounts, rate difference, etc.
- (b) Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- (c) Export incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.
- (d) Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- (e) Octroi refund claims are accounted for on receipt basis.
- (f) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Income other than dividend and interest on Investments is recognised on maturity or sale.

1.4 Fixed Asset :

(I) Tangible Assets

- (a) Fixed assets include all expenditure of capital nature and are stated at cost (net of Cenvat, wherever applicable) less accumulated depreciation.
- (b) 'Cost' for the purpose of valuing fixed assets and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).
- (c) Mobile Phones having worth less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

(II) Intangible Assets

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

1.5 Depreciation and Amortisation :

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

1.6 Impairment of Fixed Assets :

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

1.7 Investments :

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

1.8 Inventories :

- (a) Inventories are stated at cost or net realizable value, whichever is lower. For this purpose cost has been arrived at on the basis of moving weighted average. Cost of finished goods include all direct cost, other related factory overheads and excise duty.
- (b) Provision for obsolescence is made wherever considered necessary.

1.9 Foreign Currency Transactions :

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

1.10 Employee Benefits :

- (a) Defined contribution plan: The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the year in which the employees renders the related service.
- (b) Defined benefit plan - Gratuity : In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation

at the Balance Sheet date, carried out by an independent Actuary. Actuarial gain or loss is recognised immediately in the Statement of Profit and Loss as Income or Expense.

- (c) Compensated Absences : As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for Compensated absences in the year in which the employees renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent Actuarial valuation.

1.11 Provisions, Contingent Liabilities and Contingent Assets :

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

1.12 Borrowing Cost :

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

1.13 Operating lease

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

1.14 Taxation :

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

1.15 Earnings per share

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

1.16 General :

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

NOTES TO BALANCE SHEET :

Note No.	Particulars	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
2	Share Capital		
(a)	Authorized :		
	50,00,00,000 Equity Shares of ₹ 10 each	50,000.00	50,000.00
(b)	Issued :		
	14,48,16,075 Equity Shares of ₹ 10 each	14,481.61	14,481.61
(c)	Subscribed :		
	8,62,03,932 (previous year 8,62,03,932) Equity Shares of ₹ 10 each	8,620.39	8,620.39
(d)	Paid up :		
	8,61,53,852 (previous year 6,61,53,852) Equity Shares of ₹ 10 each fully paid up	8,615.39	6,615.39
	NIL (previous year 2,00,00,000) Equity Shares of ₹ 10 each, ₹ 2.50 paid up	—	500.00
	Add : Forfeited Shares	5.30	5.30
	Total Share Capital	8,620.69	7,120.69

(e) Rights, preferences and restrictions :

- The Company has only one class of equity shares referred to as Equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shares held by Holding Company	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	4,880.00	48,800,000	3,380.00

(g) Details of shares in the company held by each shareholder holding more than 5 per cent shares :

S.No.	Name of the Shareholder	No. of shares	% of share holding	No. of shares	% of share holding
1	Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	56.65	48,800,000	56.65
2	Gujarat Industrial Investment Corporation Ltd.	8,252,697	9.58	8,252,697	9.58

(h) Reconciliation of Paid up Share Capital :	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
Opening Balance	86,153,852	7,115.39	36,153,852	3,615.39
Add : Issue of fully paid Share Capital in terms of BIFR's order	—	—	30,000,000	3,000.00
Add : Call money received (previous year Issue of Partly Paid up Share Capital in terms of BIFR's order)	—	1,500.00	20,000,000	500.00
Closing Balance	86,153,852	8,615.39	86,153,852	7,115.39

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
3 Reserves and Surplus		
(a) Capital Reserves		
(i) Capital Reserve Govt. Subsidy	26.95	26.95
(ii) Capital Reserve - Capital Reduction Account	6,921.68	6,921.68
	<u>6,948.63</u>	<u>6,948.63</u>
(b) Surplus / (Deficit) in the Statement of Profit and Loss		
Opening Balance	2,886.93	3,335.80
Less : (Deficit) for the year	(722.38)	(448.87)
Closing balance	<u>2,164.55</u>	<u>2,886.93</u>
	<u>9,113.18</u>	<u>9,835.56</u>
4 Long-term Borrowings	₹ In lacs	₹ In lacs
(a) Term loans, Secured		
• from banks	259.86	—
• from other parties	33.42	12.42
	<u>293.28</u>	<u>12.42</u>
Term loans from Banks/other parties in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest ranging from 9.36% to 10.01% p.a.		
5 Deferred Tax Liabilities / Assets		
In accordance with Accounting Standard AS - 22 "Accounting for Taxes on Income" specified under section 133 of the Companies Act, 2013, the company has reviewed its Deferred Tax Liabilities (DTL) and Deferred Tax Assets (DTA) upto March 31, 2016.		
Accordingly the Company has computed Deferred Tax Assets to the extent of Deferred Tax Liabilities of ₹ 1,427.48 Lacs as on March 31, 2016 on the following items of timing differences as per computation given hereunder :		
a. Deferred Tax Assets :	₹ In lacs	₹ In lacs
Accrued Expenses deductible on cash basis	503.21	409.25
Provision for Doubtful debts & advances	118.62	148.50
Unabsorbed Depreciation	805.65	584.65
Total	<u>1,427.48</u>	<u>1,142.40</u>
b. Deferred Tax Liabilities:		
Difference between WDV of fixed assets as per the Income-tax Act, 1961 and the Companies Act, 2013	1,427.48	1,609.98
Total	<u>1,427.48</u>	<u>1,609.98</u>
c. Net Deferred Tax (Liability)/ Assets (a – b)	<u>—</u>	<u>(467.58)</u>
6 Other Long-term Liabilities	₹ In lacs	₹ In lacs
Security Deposits from Customers & Dealers	581.96	533.87
	<u>581.96</u>	<u>533.87</u>
7 Long-term provisions	₹ In lacs	₹ In lacs
(a) Provision for employee benefits.		
(i) Gratuity	707.83	637.34
(ii) Leave Encashment	253.14	218.25
(b) Others	1,677.91	1,597.57
	<u>2,638.88</u>	<u>2,453.16</u>

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

I Changes in Present Value of Obligations:

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity	PL Encashment	Gratuity	PL Encashment
	₹ In lacs	₹ In lacs	₹ In lacs	₹ In lacs
Present Value of Obligation as at the beginning of the year	706.87	294.36	582.95	224.90
Current Service Cost	31.05	20.56	25.55	17.19
Interest Cost	55.84	23.26	53.92	20.80
Actuarial (gain) / Loss on obligations	39.94	33.91	69.86	53.83
Benefits paid	(57.17)	(46.60)	(25.41)	(22.36)
Present value of Obligation as at the end of the year	776.53	325.49	706.87	294.36

II The amount recognised in Balance Sheet:

Present value of Obligation as at the end of the year	776.53	325.49	706.87	294.36
Fair Value of Plan Assets at the end of the year	—	—	—	—
Net Liability recognized in Balance sheet	776.53	325.49	706.87	294.36

III Amount recognised in Statement of Profit and Loss :

Current Service Cost	31.05	20.56	25.55	17.19
Interest Cost	55.84	23.26	53.92	20.80
Net Actuarial (gain) / Loss recognised in the year	39.94	33.91	69.86	53.83
Expenses Recognized in the statement of Profit & Loss	126.83	77.73	149.33	91.82

IV Assumptions:

Mortality Table	2006-08	2006-08	2006-08	2006-08
Discount Rate	7.99%	7.99%	7.90%	7.90%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%

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

	As on 31.03.2016	As on 31.03.2015
	₹ In lacs	₹ In lacs
8 Short-term borrowings		
(a) Loans repayable on demand from Banks - Secured		
• Overdraft	1,486.12	1,894.31
	<u>1,486.12</u>	<u>1,894.31</u>

The overdraft from bank is secured against pledge of FDRs of ₹ 2,235.83 lacs (previous year ₹ 3,443.92 lacs).

	₹ In lacs	₹ In lacs
9 Trade Payables		
(a) Trade Payable	5,624.00	6,461.78
(b) Amount payable to related party (refer note no. 35)	1.12	9.80
	<u>5,625.12</u>	<u>6,471.58</u>

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
Additional disclosure in respect of dues to micro, small and medium enterprises :		
i. Principal amount remaining unpaid and interest thereon	1.86	5.82
ii. Interest paid in terms of Section 16	—	—
iii. Interest due and payable for the period of delay in payment	—	—
iv. Interest accrued and remaining unpaid	—	—
v. Interest due and payable even in succeeding years	—	—

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

10 Other current liabilities	₹ In lacs	₹ In lacs
(a) Current maturities of long-term debt		
(i) Banks	72.26	—
(ii) Others	19.00	42.33
(b) Advance from customers	1,222.03	2,043.80
(c) Security Deposits	4.98	5.08
(d) Statutory dues	1,204.82	731.59
(e) Unpaid Dividend	14.35	14.37
(f) Other liabilities		
(i) Liabilities for expenses at the year-end	1,087.34	738.93
(ii) Others	249.91	288.36
	<u>3,874.69</u>	<u>3,864.46</u>
11 Short-term provisions	₹ In lacs	₹ In lacs
(a) Provision for Gratuity- Current	68.70	69.53
(b) Provision for Leave encashment - Current	72.35	76.12
(c) Provision for Wealth Tax	—	7.80
	<u>141.05</u>	<u>153.45</u>

NOTES TO BALANCE SHEET :

Note No. 12

(i) Tangible Assets

₹ In Lacs

	Gross Block at Cost			Depreciation			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
(a) Land								
Freehold	222.59	—	—	222.59	—	—	222.59	222.59
Leasehold	31.90	—	—	31.90	—	—	31.90	31.90
(b) Buildings	3,773.34	1.80	—	3,775.14	2,235.02	78.21	1,461.91	1,538.32
(c) Plant and Equipment	20,754.73	75.03	—	20,829.76	14,364.25	327.78	6,137.73	6,390.48
(d) Furniture and Fixtures	1,207.54	51.90	20.63	1,238.81	607.64	128.29	521.85	599.90
(e) Vehicles	1,395.59	727.13	84.37	2,038.35	572.37	209.58	1,297.14	823.22
(f) Computers	457.09	19.19	54.52	421.76	402.56	22.42	48.93	54.53
(g) Office equipment	727.42	73.00	14.43	785.99	500.53	72.06	225.55	226.89
Total	28,570.20	948.05	173.95	29,344.30	18,682.37	838.34	9,947.60	9,887.83
Previous Year	31,216.19	393.56	3,039.55	28,570.20	19,205.65	1,095.28	18,682.37	9,887.83

(ii) Intangible Assets

	Gross Block at Cost			Amortisation			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
Computer Software including Licence Fees & Membership fees	173.15	6.02	—	179.17	90.14	42.31	132.45	83.01
Total	173.15	6.02	—	179.17	90.14	42.31	132.45	83.01
Previous Year	86.95	86.20	—	173.15	37.21	52.93	83.01	—

(iii) Capital Work in Progress

	Gross Block at Cost			Impairment			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
Capital Work in progress	354.25	143.19	26.87	470.57	—	—	470.57	354.25
Previous Year	502.61	98.87	247.23	354.25	247.23	—	354.25	—

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
13 Non-current investments		
Other than Trade - Long Term (At Cost)		
(a) Investment in Equity Instrument (Quoted) :		
100 Equity Shares of ₹ 10 each in Saurashtra Cement Limited	0.02	0.02
(b) Investment in Equity Instrument (Unquoted):		
1,59,000 Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Pvt. Ltd.	0.30	0.30
(c) Investment in Subsidiary Company (Unquoted):		
43,17,022 Equity shares in Villa Trading Company Private Limited of ₹ 10 each	432.78	432.78
70,00,000 Optionally Convertible Debenture of Villa Trading Company Private Limited of ₹ 100 each, fully paid up (previous year ₹ 80 paid up)	7,000.00	5,600.00
(d) Other Investment (Unquoted):		
6 Years National Savings Certificates	0.08	0.08
(Kept as security deposit with Government authorities)		
	<u>7,433.18</u>	<u>6,033.18</u>
Aggregate Market Value of Quoted Investments	0.06	0.04
Aggregate Cost of Quoted Investments	0.02	0.02
14 Long-term loans and advances	₹ In lacs	₹ In lacs
(a) Capital Advances, considered good	71.54	150.43
(b) Security Deposits, considered good	931.33	865.06
(c) MAT Credit Entitlement (refer note no. 37 (b))	1,312.23	1,312.23
(d) Taxes paid in advance (net of provision of ₹ 5.24 lacs, previous year ₹ 1,162.64 lacs)	226.52	340.23
(e) VAT receivable	5.51	4.59
(f) Advance to Staff	30.13	—
(g) Other loans and advances		
(i) Considered Doubtful	323.92	323.92
Less : Provision for Doubtful Advance	(323.92)	(323.92)
	<u>2,577.26</u>	<u>2,672.54</u>
15 Other non-current assets	₹ In lacs	₹ In lacs
(a) Fixed deposits with bank maturing after 12 months	770.98	151.70
[The above fixed deposits of ₹ 770.98 lacs (Previous year ₹ 51.70 lacs) kept as security / margin money against overdraft / guarantees]		
	<u>770.98</u>	<u>151.70</u>
16 Current Investments	₹ In lacs	₹ In lacs
Investments in Government securities :		
6 Years National Savings Certificates	0.06	0.06
(Kept as security deposit with Government authorities)		
	<u>0.06</u>	<u>0.06</u>

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
17 Inventories		
(a) Raw materials (includes materials in transit of ₹ 6.30 lacs, previous year ₹ 11.90 lacs)	329.84	642.17
(b) Work-in-progress	1,918.26	1,553.40
(c) Finished goods	793.02	430.39
(d) Stores and spares (includes stores and spares in transit of ₹ 20.77 lacs, previous year ₹ 17.28 lacs)	1,548.32	1,547.17
(e) Fuel (includes coal in transit of ₹ 661.02 lacs, previous year ₹ 1,383.96 lacs)	890.91	2,048.64
	5,480.35	6,221.77
	₹ In lacs	₹ In lacs
18 Trade Receivables (unsecured)		
(a) Outstanding for a period exceeding six months		
- considered good	168.89	269.87
- considered doubtful	50.60	103.61
(b) Others - considered good		
- Amount receivable from a related party (refer note no. 35)	23.25	—
- Others	1,038.74	1,390.01
	1,281.48	1,763.49
Less : Provision for Doubtful Debts	(50.60)	(103.61)
	1,230.88	1,659.88
	₹ In lacs	₹ In lacs
19 Cash and Bank Balances		
(a) Cash and cash equivalent		
(i) Balances with banks in current accounts	516.39	1,057.91
(ii) Cash on hand	1.22	2.01
	517.61	1,059.92
(b) Other Bank Balances		
(i) Earmarked Balances with Bank	14.35	14.37
(ii) Fixed Deposits with Banks	2,820.22	3,792.21
[Of the above fixed deposits of ₹ 2,320.23 lacs (Previous year ₹ 3,392.21 lacs) kept as security / margin money against overdraft and guarantees]		
	3,352.18	4,866.50
	₹ In lacs	₹ In lacs
20 Short-term loans and advances		
(a) Unsecured, Considered Good		
(i) Taxes paid in advance	61.73	1.50
(ii) Advance against purchase of Stores and Spare	113.16	87.64
(iii) Advance against purchase of shares	3.49	3.49
(iv) Cenvat Credit Receivable	206.17	208.97
(v) Others (including ₹ 120.80 lacs due from Executive Vice Chairman (previous year ₹ Nil)) (Refer Note 35(b))"	543.55	355.26
(b) Unsecured, Considered Doubtful		
(i) Advance against purchase of Stores and Spare	4.40	2.82
	932.50	659.68
Less : Provision for Doubtful Advance	(4.40)	(2.82)
	928.10	656.86
	₹ In lacs	₹ In lacs
21 Other current assets		
Interest accrued but not due on Fixed Deposits	137.09	219.50
	137.09	219.50

Notes to Statement of Profit and Loss :

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
22	Revenue from Operations :		
	(a) Sale of products;		
	(i) Cement	48,190.75	51,769.35
	(ii) Clinker	4,627.14	2,475.58
	(b) Other operating revenues		
	(i) Sale of Scrap	96.38	253.04
	(ii) Claim from Railway for Cement Shortage	—	2.00
	(iii) Export Entitlement	24.58	20.24
		52,938.85	54,520.21
	Less:		
	(c) Excise duty	6,032.27	6,116.81
		46,906.58	48,403.40
23	Other Income	₹ In lacs	₹ In lacs
	(a) Interest Income	407.80	440.05
	(b) Insurance claim	3.27	4.67
	(c) Profit on sale of fixed assets	3.96	—
	(d) Excess provision written back	96.41	129.58
	(e) Sundry credit balances written back	57.14	168.50
	(f) Provision for doubtful debts written back	53.01	16.56
	(g) Sales Tax refund	28.82	—
	(h) Miscellaneous Income	31.16	15.87
		681.57	775.23
24	Cost of material consumed	₹ In lacs	₹ In lacs
	(a) Raw materials *		
	Opening Stock of Raw Materials	642.14	140.37
	Add: Purchases	4,918.47	3,462.55
	Less: Closing Stock of Raw Materials	329.84	642.14
		5,230.77	2,960.78
	(b) Royalty, Cess and Limestone raising cost		
	(i) Limestone raising and Transportation	1,191.99	1,157.32
	(ii) Royalty	979.16	1,045.09
	(iii) Welfare cess	12.57	15.35
	(iv) District Mineral Fund (DMF) & others	390.40	—
		2,574.12	2,217.76
	(c) Packing material		
	Opening Stock of Packing Materials	44.15	111.48
	Add: Purchases	1,514.09	1,627.13
	Less: Closing Stock of Packing Materials	59.55	44.15
		1,498.69	1,694.46
		9,303.58	6,873.00
	Total material consumed		
	* Details of Raw Material Consumed		
	(i) Limestone and Marl	3,178.09	1,146.37
	(ii) Gypsum	891.40	874.53
	(iii) Fly Ash	660.98	306.50
	(iv) Clinker (Purchased)	—	122.91
	(v) Others	500.30	510.47
		5,230.77	2,960.78

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
25	Change in inventories of finished goods and work-in-progress		
(a)	Opening stock of inventories		
	Finished Goods - Cement	430.39	327.39
	Work-in-progress - Raw Flour and Clinker	1,553.40	1,234.89
(b)	Closing Stock of inventories		
	Finished Goods - Cement	793.02	430.39
	Work-in-progress - Raw Flour and Clinker	1,918.26	1,553.40
	(Increase) / decrease in inventories	(727.49)	(421.51)
26	Employee Benefits Expense	₹ In lacs	₹ In lacs
(a)	Salaries and wages	2,879.53	2,730.53
(b)	Contribution to provident and other funds	202.51	158.33
(c)	Staff welfare expense	101.61	119.91
		3,183.65	3,008.77
27	Finance Cost	₹ In lacs	₹ In lacs
	Interest Expense		
(a)	On Borrowings	194.71	128.85
(b)	Interest on Customs Duty	76.93	203.15
(c)	On Others	156.34	140.13
		427.98	472.13
28	Other expenses	₹ In lacs	₹ In lacs
(a)	Power and fuel	18,637.58	21,185.78
(b)	Stores and spares consumed	2,619.69	2,679.02
(c)	Repair and maintenance*	1,627.33	1,498.11
(d)	Insurance	125.79	103.20
(e)	Rent	184.56	182.57
(f)	Rates and taxes	29.14	44.55
(g)	Payment to auditors**	11.21	9.85
(h)	Directors' sitting fees	36.60	25.12
(i)	Loss on sale/discard of assets	18.58	39.83
(j)	Bad Debts written off	52.76	13.49
(k)	Wealth Tax	—	7.80
(l)	Travelling and conveyance expenses	621.17	591.05
(m)	Exchange rate fluctuation	55.68	145.01
(n)	Legal and professional expenses	262.37	315.69
(o)	Freight	8,062.61	8,147.45
(p)	Commission and discounts	978.56	907.76
(q)	Selling expenses	1,453.68	1,424.14
(r)	Miscellaneous Expenses	932.43	802.13
		35,709.74	38,122.55
* Repairs and maintenance			
(a)	Repairs to buildings.	242.25	188.10
(b)	Repairs to machinery.	904.51	729.02
(c)	Others	480.57	580.99
		1,627.33	1,498.11
** Payments to the auditors			
(a)	For Statutory Audit	7.00	7.00
(b)	For Tax Audit	2.00	—
(c)	For Other services	2.21	2.85
		11.21	9.85

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs		
29	Exceptional Items				
	Loss on sale of DG sets	—	(752.02)		
	Profit on sale of Office Building and Machinery	—	96.35		
		<u>—</u>	<u>(655.67)</u>		
30	Earning Per Share:				
(a)	Net (Loss) after Tax (₹ in lacs)	(722.38)	(448.87)		
(b)	Total Weighted Average Number of Shares for Basic & Diluted Earning	72,016,866	42,897,414		
(c)	Basic & Diluted Earning per share in rupees	(1.00)	(1.05)		
31	(a) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of	₹ In lacs	₹ In lacs		
	(i) Raw Materials	645.95	458.59		
	(ii) Fuel	2,217.83	1,549.62		
	(iii) Components and spare parts	355.75	393.66		
	(iv) Capital goods	52.48	68.92		
	(b) Expenditure in foreign currency during the financial year on account of				
	(i) Professional and Consultation fees	9.25	7.64		
	(ii) Others	152.41	141.31		
	(c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.				
	(i) Raw Materials :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	739.17	14.13	84.18	2.84
	Indigenous	4,491.60	85.87	2,876.60	97.16
		<u>5,230.77</u>	<u>100.00</u>	<u>2,960.78</u>	<u>100.00</u>
	(ii) Stores and Spares :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	488.71	18.66	412.32	15.39
	Indigenous	2,130.98	81.34	2,266.70	84.61
		<u>2,619.69</u>	<u>100.00</u>	<u>2,679.02</u>	<u>100.00</u>
	(d) Earnings in foreign exchange	₹ In lacs	₹ In lacs		
	(i) Export of goods calculated on F.O.B. basis	2,475.41	489.18		
	(ii) Despatch Money received	14.84	—		
32	The amount of expenditure on Corporate Social Responsibility (CSR) activities is ₹ 29.98 lacs (previous year ₹ 36.04 lacs) which includes Capital Expenditure of ₹ NIL (previous year ₹ 9.21 lacs).				

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
33	Contingent liabilities and commitments (to the extent not provided for)		
	(a) Contingent liabilities		
	(i) Claims against the company not acknowledged as debt	792.92	807.18
	(ii) Other money for which the company is contingently liable - Matter under dispute		
	– Excise duty	53.95	53.95
	– Customs	74.09	74.09
	– Service Tax	1,165.55	889.98
	– Rajasthan Sales Tax	24.73	24.73
	– Gujarat Sales Tax	112.94	112.94
	– Gujarat VAT	311.84	311.84
	– Income-tax	1.50	1.50
	– Octroi	140.98	140.98
	(iii) The Company is required to comply with the energy consumption norms and standards specified under notification number S.O.687(E) dated 30th March, 2012 of the Government of India, Ministry of Power during the first cycle - 2012-13 to 2014-15. Consequently the Company is required to purchase 13,775 (Nos.) Enegy Savings Certificates. The value is not ascertainable as the Certificates are yet to be issued by the Government of India.		
	(b) Commitments		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 70.78 lacs; previous year ₹ 54.01 lacs)	189.33	132.87
	(ii) Uncalled liability on partly paid debentures	–	1,400.00
34	The Hon'ble BIFR, vide order dated 15th September, 2015, observed that the networth of the company continues to remain positive after it was discharged from the BIFR in 2011. Accordingly, the bench directed that the company would continue to remain discharged from the purview of SICA / BIFR.		
35	(A) Related Parties Disclosure:		
	(a) Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Capital :		
	1 Ria Holding Ltd.	8 Sameta Exports Pvt. Ltd.	
	2 Pranay Holding Ltd.	9 Pallor Trading Company Pvt. Ltd.	
	3 Reeti Investment Ltd.	10 The Arj Investments Limited	
	4 Prachit Holding Ltd.	11 Treasurer's Trading Limited	
	5 Sumaraj Holding Pvt. Ltd.	12 Gujarat Industrial Investment Corp. Ltd.	
	6 Sunnidhi Trading Pvt. Ltd.	13 Samja Mauritius Limited	
	7 Shree Anandeya Investment Pvt. Ltd.	14 Mehta Investments Pte Limited	
	(b) Holding Company: Bhadra Textiles & Trading Private Limited		
	(c) Subsidiary Company: Villa Trading Company Private Limited		
	(d) List of Key Mangerial Personal and their relatives :		
	1 Mr. Jay Mehta	Executive Vice Chairman	
	2 Mr. M. S. Gilotra	Managing Director	
	3 Mr. M N Mehta	Father of Mr. Jay Mehta	
	4 Mrs. Juhi Chawla Mehta	Wife of Mr. Jay Mehta	
	(e) Name of the company in which policies are controlled by common key management personnel: Saurashtra Cement Limited		

(B) Disclosure of Related Parties Transactions :

	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ In lacs	₹ In lacs
1 Remuneration to Mr. Jay Mehta *	249.81	280.31
2 Remuneration to Mr. M S Gilotra	140.22	128.16
3 Recovery of excess remuneration for the year 2013-14 from Mr. Jay Mehta as directed by MCA **	194.68	—
* In view of inadequacy of profit for the year 2015-16, remuneration paid by the Company to Mr. Jay Mehta (Executive Vice Chairman) was in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. Pending approval of the Central Government, an amount of ₹ 163.44 lacs is being held in trust by him. Further, in view of inadequacy of the profit for the year 2014-15, remuneration paid by the Company to Executive Vice Chairman was in excess of the limit prescribed under sections 197 and 198 read with Schedule V to the Companies Act, 2013. Pending approval of the Central Government, an amount of ₹ 184.79 lacs is being held in trust by him.		
** In respect of remuneration paid to Executive Vice Chairman for the year 2013-14, the approval of Central Government has been received. In terms of the approval, there is excess remuneration of ₹ 194.68 lacs. Out of this, amount of ₹ 73.88 lacs has been recovered before 31st March 2016. Balance amount of ₹ 120.80 lacs is shown as recoverable in Note No. 20 – Short Term Loans & Advances. The said amount has since been recovered.		
4 Payments to relatives of Key Managerial Personnel:		
a. Directors sitting fees to Mr. M N Mehta	1.50	1.20
b. Directors sitting fees to Mrs. Juhi Chawla Mehta	2.70	1.20
5 Particulars of transactions with Saurashtra Cement Ltd. The transactions are disclosed in aggregate value for the year:		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ In lacs	₹ In lacs
Purchase of Goods & materials	194.91	132.42
Sale of Goods & materials	1,432.16	2,857.25
Services received [Net]	118.77	112.57
Outstanding Receivable / (Payable)	23.25	(8.64)
6 Particulars of transactions with Villa Trading Com. Pvt. Ltd. The transactions are disclosed in aggregate value for the year:		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ In lacs	₹ In lacs
Payment of Call Money on OCD	1,400.00	5,250.00
Payment for Manpower services	9.81	2.28
Outstanding payable for Manpower services	1.12	1.16

36 The Company has only one business segment 'Cement / Clinker' as primary segment.

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

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

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

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

Jay M. Mehta

S. V. S. Raghavan

M. S. Gilotra

V. R. Mohnot

Chairman

Executive Vice Chairman

Director

Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Gujarat Sidhee Cement Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gujarat Sidhee Cement Limited** ("the Holding Company") and its subsidiary, **Villa Trading Company Private Limited** (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters Paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to following notes to Consolidated Financial Statements:

- (i) Note 35(B)(1) relating to remuneration paid to Executive Vice Chairman for the Financial Years 2015-16 and 2014-15 in excess of the limit prescribed under sections 197 and 198 read with schedule V to the Companies Act, 2013 which is subject to approval of Central Government.
- (ii) Note 37(b) regarding continuing recognition of MAT Credit Entitlement of earlier years for the reasons stated in the said note.
- Our opinion is not modified in respect of the above matters.

Other Matters

We did not audit the consolidated financial statements of a subsidiary, whose consolidated financial statements reflect total assets of ₹ 9,855.72 lacs as at March 31, 2016, total revenues of ₹ 911.61 lacs (which includes its share of profit of ₹ 898.24 lacs in associate) and net cash out flows amounting to ₹ 78.74 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group— Refer Note 33 to the Consolidated Financial Statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investors' Education and Protection Fund by the Holding company and its subsidiary company.

For **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Regn. No. 106041W / W100136

(Darshan Shah)
Partner
Membership No.131508

Place : Mumbai
Date : 27 May, 2016

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

[Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Consolidated Financial Statements to the members of Gujarat Sidhee Cement Limited (the company) for the year ended on March 31, 2016.]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Gujarat Sidhee Cement Limited** ("the Holding Company") and its subsidiary, **Villa Trading Company Private Limited** which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Regn. No. 106041W / W100136

Place : Mumbai
Date : 27 May, 2016

(Darshan Shah)
Partner
Membership No.131508

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Note No.	As at March 31, 2016 ₹ In lacs	As at March 31, 2015 ₹ In lacs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	8,620.69	7,120.69
(b) Reserves and surplus	3	10,932.42	10,858.52
		<u>19,553.11</u>	<u>17,979.21</u>
(2) Non-current liabilities			
(a) Long-term borrowings	4	293.28	12.42
(b) Deferred tax liabilities (Net)	5	—	467.58
(c) Other long-term liabilities	6	581.96	533.87
(d) Long-term provisions	7	2,638.88	2,453.16
		<u>3,514.12</u>	<u>3,467.03</u>
(3) Current liabilities			
(a) Short-term borrowings	8	2,086.12	2,494.31
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		1.86	5.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,623.34	6,465.85
(c) Other current liabilities	10	3,878.40	3,865.92
(d) Short-term provisions	11	141.05	153.45
		<u>11,730.77</u>	<u>12,985.35</u>
TOTAL		<u>34,798.00</u>	<u>34,431.59</u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	12	9,947.60	9,887.83
(ii) Intangible assets	12	46.72	83.01
(iii) Capital work-in-progress	12	470.57	354.25
(b) Non-current investments	13	9,827.91	7,547.03
(c) Long-term loans and advances	14	2,588.76	2,684.04
(d) Other non-current assets	15	770.98	151.70
		<u>23,652.54</u>	<u>20,707.86</u>
(2) Current Assets			
(a) Current Investments	16	0.06	0.06
(b) Inventories	17	5,480.35	6,221.77
(c) Trade receivables	18	1,232.00	1,661.04
(d) Cash and bank balances	19	3,367.59	4,960.64
(e) Short-term loans and advances	20	928.37	660.72
(f) Other current assets	21	137.09	219.50
		<u>11,145.46</u>	<u>13,723.73</u>
TOTAL		<u>34,798.00</u>	<u>34,431.59</u>
Significant Accounting Policies and Notes to Accounts	1 to 39		

See accompanying Notes to Consolidated Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

Chairman

Jay M. Mehta

Executive Vice Chairman

S. V. S. Raghavan

Director

M. S. Gilotra

Managing Director

V. R. Mohnot

CFO & Company Secretary

Mumbai, Dated May 27, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Note No.	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
1 Revenue from operations	22	52,938.85	54,520.21
Less : Excise Duty		6,032.27	6,116.81
		<u>46,906.58</u>	<u>48,403.40</u>
2 Other income	23	684.01	775.23
3 Total Revenue (1+2)		<u>47,590.59</u>	<u>49,178.63</u>
4 Expenses :			
a. Cost of material consumed	24	9,303.58	6,873.00
b. Changes in inventories of finished goods and work-in-progress	25	(727.49)	(421.51)
c. Employee benefits expenses	26	3,183.65	3,008.77
d. Finance cost	27	530.26	488.07
e. Depreciation and amortisation expenses	12	880.65	1,148.21
f. Other expenses	28	35,711.86	38,128.73
Total Expenses		<u>48,882.51</u>	<u>49,225.27</u>
5 (Loss) before exceptional items and tax (3-4)		(1,291.92)	(46.64)
6 Exceptional items	29	-	(655.67)
7 (Loss) before tax (5+6)		(1,291.92)	(702.31)
8 Tax expense:			
Deferred Tax Charge / (Credit)		(467.58)	(231.32)
9 (Loss) before share in profits of Associate of Subsidiary (7-8)		(824.34)	(470.99)
10 Share in Profit of Associate of Subsidiary		898.24	1,036.44
11 Profit for the year (9+10)		<u>73.90</u>	<u>565.45</u>
12 Earnings per equity share of ₹ 10 each :	30		
Basic and Diluted - ₹ per share		0.10	1.32

Significant Accounting Policies and Notes to Accounts

1 to 39

See accompanying Notes to Consolidated Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

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Mumbai, Dated May 27, 2016

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Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
(LOSS) BEFORE TAX	(1,291.92)	(702.31)
Adjustments for		
Depreciation	880.65	1,148.21
Finance Cost	530.26	488.07
Interest Income	(410.24)	(440.05)
Loss of sale / discard of fixed assets	18.58	39.83
Exceptional Item	—	655.67
Profit on sale of fixed assets	(3.96)	—
Bad Debts written off	52.76	13.49
Provision for doubtful debtors and advances written back (Net)	(51.43)	(23.09)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(275.30)	1,179.82
Adjustments for		
Trade receivables	429.29	50.40
Loans and Advances	(246.22)	1,470.85
Inventories	741.42	(424.04)
Trade payable	(846.47)	(165.13)
Other Liabilities	11.64	443.63
Provisions	173.32	443.00
CASH GENERATED FROM OPERATIONS	(12.32)	2,998.53
Income-tax (paid) / refund [net]	72.27	273.90
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	59.95	3,272.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets / intangible assets / work in process	(1,070.39)	(578.62)
Purchase of Long term investments	(1,382.64)	(6,513.95)
Sale of fixed / discarded assets	35.32	725.49
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(2,417.71)	(6,367.08)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	399.21	635.14
Repayment of Long-term Borrowings	(69.42)	(47.51)
Repayment of Short-term Borrowings (net)	(408.19)	(37.27)
Deposits held as margin money (net)	(619.28)	172.95
Finance Cost	(530.26)	(488.07)
Interest Income	492.65	374.52
Increase in Share Capital	1,500.00	3,000.00
NET CASH FLOW FROM FINANCING ACTIVITIES	764.71	3,609.76
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,593.05)	515.11
CASH AND CASH EQUIVALENTS AS ON 01.04.2015	4,960.64	4,445.53
CASH AND CASH EQUIVALENTS AS ON 31.03.2016	3,367.59	4,960.64

Note:

- Cash Equivalents include ₹ 3,366.37 lacs (previous year ₹ 4,958.53 lacs) being Bank Balances and Fixed Deposits with Banks. Bank balances include earmarked balances of ₹ 14.35 lacs (previous year ₹ 14.37 lacs).
- Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard AS - 3 specified under section 133 of the Companies Act, 2013.
- Figures in bracket indicate Cash Outflow.

See accompanying Notes to Consolidated Financial Statements

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M. N. Mehta

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M. S. Gilotra

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Chairman

Executive Vice Chairman

Director

Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

Note No. 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of Accounting :

The consolidated financial statements are prepared as under :

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

1.2 Principles of Consolidation :

- (a) The consolidated financial statements have been prepared in accordance with principles and procedures laid down in Accounting Standard AS-21 "Consolidated Financial Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (b) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to, in the same manner as the Holding Company's separate Financial Statements.
- (c) The difference between cost of investments in the subsidiary company and holding company's share of Net Assets at the time of acquisition of shares in subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

1.3 Subsidiary Company considered in the Consolidated Financial Statement is:

No.	Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2016	Financial Year ends
i.	Villa Trading Company Private Limited	India	100%	Year ended March 31, 2016

1.4 Use of Estimates:

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

1.5 Revenue Recognition :

- (a) Sales are accounted on dispatch of goods to customers. Sales figures are inclusive of excise duty, but are net of sales tax, value added tax, sales returns and adjustment in respect of discounts, rate difference, etc.
- (b) Export Sales are accounted on the basis of bills of lading / mates receipt dates.
- (c) Export incentives are accounted for on export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to their claims are fulfilled.
- (d) Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.
- (e) Octroi refund claims are accounted for on receipt basis.
- (f) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Income other than dividend and interest on Investments is recognised on maturity or sale.

1.6 Fixed Asset :

(I) Tangible Assets

- (a) Fixed assets include all expenditure of capital nature and are stated at cost (net of Cenvat, wherever applicable) less accumulated depreciation.
- (b) 'Cost' for the purpose of valuing fixed assets and capital work in progress comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use (Net of recoverable duties, subsidy received on purchase of asset, etc.).
- (c) Mobile Phones having worth less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

(II) Intangible Assets

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

1.7 Depreciation and Amortisation :

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

1.8 Impairment of Fixed Assets :

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

1.9 Investments :

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

1.10 Inventories :

- (a) Inventories are stated at cost or net realizable value, whichever is lower. For this purpose cost has been arrived at on the basis of moving weighted average. Cost of finished goods include all direct cost, other related factory overheads and excise duty.
- (b) Provision for obsolescence is made wherever considered necessary.

1.11 Foreign Currency Transactions :

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

1.12 Employee Benefits :

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

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

1.13 Provisions, Contingent Liabilities and Contingent Assets :

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

1.14 Borrowing Cost :

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

1.15 Operating lease

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

1.16 Taxation :

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

1.17 Earnings per share

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

1.18 General :

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

NOTES TO CONSOLIDATED BALANCE SHEET :

Note Particulars No.	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
2 Share Capital		
(a) Authorized :		
50,00,00,000 Equity Shares of ₹ 10 each	50,000.00	50,000.00
(b) Issued :		
14,48,16,075 Equity Shares of ₹ 10 each	14,481.61	14,481.61
(c) Subscribed :		
8,62,03,932 (previous year 8,62,03,932) Equity Shares of ₹ 10 each	8,620.39	8,620.39
(d) Paid up :		
8,61,53,852 (previous year 6,61,53,852) Equity Shares of ₹ 10 each fully paid up	8,615.39	6,615.39
NIL (previous year 2,00,00,000) Equity Shares of ₹ 10 each, ₹ 2.50 paid up	—	500.00
Add : Forfeited Shares	5.30	5.30
Total Share Capital	8,620.69	7,120.69

(e) Rights, preferences and restrictions :

- The Holding Company has only one class of equity shares referred to as Equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive residual assets of the Holding Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shares of Parent Company held by its Holding Company	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	4,880.00	48,800,000	3,380.00

(g) Details of shares in the company held by each shareholder holding more than 5 per cent shares :

S.No. Name of the Shareholder	No. of shares	% of share holding	No. of shares	% of share holding
1 Bhadra Textiles and Trading Pvt. Ltd.	48,800,000	56.65	48,800,000	56.65
2 Gujarat Industrial Investment Corporation Ltd.	8,252,697	9.58	8,252,697	9.58
(h) Reconciliation of Paid up Share Capital :	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
Opening Balance	86,153,852	7,115.39	36,153,852	3,615.39
Add : Issue of fully paid Share Capital in terms of BIFR's order	—	—	30,000,000	3,000.00
Add : Call money received (previous year Issue of Partly Paid up Share Capital in terms of BIFR's order)	—	1,500.00	20,000,000	500.00
Closing Balance	86,153,852	8,615.39	86,153,852	7,115.39

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
3 Reserves and Surplus		
(a) Capital Reserves		
(i) Capital Reserve Govt. Subsidy	26.95	26.95
(ii) Capital Reserve - Capital Reduction Account	6,921.68	6,921.68
(iii) Capital Reserve - On account of Consolidation	8.58	8.58
	<u>6,957.21</u>	<u>6,957.21</u>
(b) Surplus in the Consolidated Statement of Profit and Loss		
Opening Balance	3,901.31	3,335.86
Add : Surplus for the year	73.90	565.45
Closing balance	<u>3,975.21</u>	<u>3,901.31</u>
	<u>10,932.42</u>	<u>10,858.52</u>
4 Long-term Borrowings	₹ In lacs	₹ In lacs
(a) Term loans, Secured		
• from banks	259.86	—
• from other parties	33.42	12.42
	<u>293.28</u>	<u>12.42</u>
Term loans from Banks / other parties in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicles financed by them. The Loans are repayable in monthly equated installments over period of 3 to 5 years carrying interest ranging from 9.36% to 10.01% p.a.		
5 Deferred Tax Liabilities / Assets		
In accordance with Accounting Standard AS - 22 "Accounting for Taxes on Income" specified under section 133 of the Companies Act, 2013, the Holding Company has reviewed its Deferred Tax Liabilities (DTL) and Deferred Tax Assets (DTA) upto March 31, 2016.		
Accordingly the Holding Company has computed Deferred Tax Assets to the extent of Deferred Tax Liabilities of ₹ 1,427.48 Lacs as on March 31, 2016 on the following items of timing differences as per computation given hereunder :		
a. Deferred Tax Assets :	₹ In lacs	₹ In lacs
Accrued Expenses deductible on cash basis	503.21	409.25
Provision for Doubtful debts & advances	118.62	148.50
Unabsorbed Depreciation	805.65	584.65
Total	<u>1,427.48</u>	<u>1,142.40</u>
b. Deferred Tax Liabilities:		
Difference between WDV of fixed assets as per the Income-tax Act, 1961 and the Companies Act, 2013	1,427.48	1,609.98
Total	<u>1,427.48</u>	<u>1,609.98</u>
c. Net Deferred Tax (Liability) / Assets (a – b)	<u>—</u>	<u>(467.58)</u>
6 Other Long-term Liabilities	₹ In lacs	₹ In lacs
Security Deposits from Customers & Dealers	581.96	533.87
	<u>581.96</u>	<u>533.87</u>
7 Long-term provisions	₹ In lacs	₹ In lacs
(a) Provision for employee benefits.		
(i) Gratuity	707.83	637.34
(ii) Leave Encashment	253.14	218.25
(b) Others	1,677.91	1,597.57
	<u>2,638.88</u>	<u>2,453.16</u>

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

I Changes in Present Value of Obligations:

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity ₹ In lacs	PL Encashment ₹ In lacs	Gratuity ₹ In lacs	PL Encashment ₹ In lacs
Present Value of Obligation as at the beginning of the year	706.87	294.36	582.95	224.90
Current Service Cost	31.05	20.56	25.55	17.19
Interest Cost	55.84	23.26	53.92	20.80
Actuarial (gain) / Loss on obligations	39.94	33.91	69.86	53.83
Benefits paid	(57.17)	(46.60)	(25.41)	(22.36)
Present value of Obligation as at the end of the year	776.53	325.49	706.87	294.36
II The amount recognised in Balance Sheet:				
Present value of Obligation as at the end of the year	776.53	325.49	706.87	294.36
Fair Value of Plan Assets at the end of the year	—	—	—	—
Net Liability recognized in Balance sheet	776.53	325.49	706.87	294.36
III Amount recognised in Statement of Profit and Loss :				
Current Service Cost	31.05	20.56	25.55	17.19
Interest Cost	55.84	23.26	53.92	20.80
Net Actuarial (gain) / Loss recognised in the year	39.94	33.91	69.86	53.83
Expenses Recognized in the statement of Profit & Loss	126.83	77.73	149.33	91.82
IV Assumptions:				
Mortality Table	2006-08	2006-08	2006-08	2006-08
Discount Rate	7.99%	7.99%	7.90%	7.90%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%

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

	As on 31.03.2016	As on 31.03.2015
	₹ In lacs	₹ In lacs
8 Short-term borrowings		
(a) Loans repayable on demand from Banks - Secured*		
• Overdraft	1,486.12	1,894.31
(b) From others - Secured **	600.00	600.00
	<u>2,086.12</u>	<u>2,494.31</u>
* The overdraft from bank is secured against pledge of FD of ₹ 2,235.83 lacs (previous year ₹ 3,443.92 lacs).		
** The loan 'from others' has been secured by pledge of shares of Saurashtra Cement Ltd. held by Subsidiary Company and personal guarantee of a director of Holding Company.		
9 Trade Payables	₹ In lacs	₹ In lacs
(a) Trade Payable	5,625.20	6,463.03
(b) Amount payable to related party (refer note no. 35)	—	8.64
	<u>5,625.20</u>	<u>6,471.67</u>

	As on 31.03.2016	As on 31.03.2015
	₹ In lacs	₹ In lacs

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

i. Principal amount remaining unpaid and interest thereon	1.86	5.82
ii. Interest paid in terms of Section 16	—	—
iii. Interest due and payable for the period of delay in payment	—	—
iv. Interest accrued and remaining unpaid	—	—
v. Interest due and payable even in succeeding years	—	—

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

10 Other current liabilities	₹ In lacs	₹ In lacs
(a) Current maturities of long-term debt		
(i) Banks	72.26	—
(ii) Others	19.00	42.33
(b) Advance from customers	1,222.03	2,043.80
(c) Security Deposits	4.98	5.08
(d) Statutory dues	1,207.57	732.05
(e) Unpaid Dividend	14.35	14.37
(f) Other liabilities		
(i) Liabilities for expenses at the year-end	1,088.30	739.93
(ii) Others	249.91	288.36
	3,878.40	3,865.92

11 Short-term provisions	₹ In lacs	₹ In lacs
(a) Provision for Gratuity- Current	68.70	69.53
(b) Provision for Leave encashment - Current	72.35	76.12
(c) Provision for Wealth Tax	—	7.80
	141.05	153.45

NOTES TO CONSOLIDATED BALANCE SHEET :

Note No. 12

(i) Tangible Assets

₹ In Lacs

	Gross Block at Cost			Depreciation			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
(a) Land								
Freehold	222.59	—	—	222.59	—	—	222.59	222.59
Leasehold	31.90	—	—	31.90	—	—	31.90	31.90
(b) Buildings	3,773.34	1.80	—	3,775.14	2,235.02	78.21	1,461.91	1,538.32
(c) Plant and Equipment	20,754.73	75.03	—	20,829.76	14,364.25	327.78	6,137.73	6,390.48
(d) Furniture and Fixtures	1,207.54	51.90	20.63	1,238.81	607.64	128.29	716.96	599.90
(e) Vehicles	1,395.59	727.13	84.37	2,038.35	572.37	209.58	1,297.14	823.22
(f) Computers	457.09	19.19	54.52	421.76	402.56	22.42	372.83	54.53
(g) Office equipment	727.42	73.00	14.43	785.99	500.53	72.06	225.55	226.89
Total	28,570.20	948.05	173.95	29,344.30	18,682.37	838.34	19,396.70	9,887.83
Previous Year	31,216.19	393.56	3,039.55	28,570.20	19,205.65	1,095.28	18,682.37	9,887.83

(ii) Intangible Assets

	Gross Block at Cost			Amortisation			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
Computer Software including Licence Fees & Membership fees	173.15	6.02	—	179.17	90.14	42.31	132.45	83.01
Total	173.15	6.02	—	179.17	90.14	42.31	132.45	83.01
Previous Year	86.95	86.20	—	173.15	37.21	52.93	83.01	—

(iii) Capital Work in Progress

	Gross Block at Cost			Impairment			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	As at March 31, 2016	As at March 31, 2015
Capital Work in progress	354.25	143.19	26.87	470.57	—	—	470.57	354.25
Previous Year	502.61	98.87	247.23	354.25	247.23	—	354.25	—

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
13 Non-current investments		
Other than Trade - Long Term (At Cost)		
(a) Investment in Equity Instrument (Quoted) : (At Carrying Amount)		
In Associates :		
1,41,58,267 (previous year 1,17,45,267) Equity Shares of ₹ 10 each in Saurashtra Cement Limited *	9,827.53	7,546.65
(b) Investment in Equity Instrument (Unquoted) : (At Cost)		
1,59,000 Equity Shares of ₹ 0.10 each in OPGS Power Gujarat Private Limited	0.30	0.30
(c) Other Investment (Unquoted) : (At Cost)		
6 Years National Savings Certificates	0.08	0.08
(Kept as security deposit with Government authorities)		
	<u>9,827.91</u>	<u>7,547.03</u>
Aggregate Market Value of Quoted Investments	8,707.33	5,103.32
Aggregate Cost of Quoted Investments	7,892.85	6,510.21
* Investments in Equity Instruments of Associates includes ₹ 28,05,11,065 (previous year ₹ 23,89,85,377) towards Goodwill arising on the acquisition of shares of the Associate.		
14 Long-term loans and advances	₹ In lacs	₹ In lacs
(a) Capital Advances, considered good	71.54	150.43
(b) Security Deposits, considered good	931.33	865.06
(c) MAT Credit Entitlement (refer note no. 37 (b))	1,312.23	1,312.23
(d) Taxes paid in advance (net of provision of ₹ 5.24 lacs, previous year ₹ 1,162.64 lacs)	226.52	340.23
(e) VAT receivable	5.51	4.59
(f) Advance to Staff	30.13	—
(g) Other loans and advances		
(i) Considered Good	11.50	11.50
(ii) Considered Doubtful	323.92	323.92
Less : Provision for Doubtful Advance	<u>(323.92)</u>	<u>(323.92)</u>
	<u>2,588.76</u>	<u>2,684.04</u>
15 Other non-current assets	₹ In lacs	₹ In lacs
(a) Fixed deposits with bank maturing after 12 months	770.98	151.70
[The above fixed deposits of ₹ 770.98 lacs (Previous year ₹ 51.70 lacs) kept as security / margin money against overdraft / guarantees]		
	<u>770.98</u>	<u>151.70</u>
16 Current Investments	₹ In lacs	₹ In lacs
Investments in Government securities :		
6 Years National Savings Certificates	0.06	0.06
(Kept as security deposit with Government authorities)		
	<u>0.06</u>	<u>0.06</u>

	As on 31.03.2016 ₹ In lacs	As on 31.03.2015 ₹ In lacs
17 Inventories		
(a) Raw materials (includes materials in transit of ₹ 6.30 lacs, previous year ₹ 11.90 lacs)	329.84	642.17
(b) Work-in-progress	1,918.26	1,553.40
(c) Finished goods	793.02	430.39
(d) Stores and spares (includes stores and spares in transit of ₹ 20.77 lacs, previous year ₹ 17.28 lacs)	1,548.32	1,547.17
(e) Fuel (includes coal in transit of ₹ 661.02 lacs, previous year ₹ 1,383.96 lacs)	890.91	2,048.64
	5,480.35	6,221.77
18 Trade Receivables (unsecured)	₹ In lacs	₹ In lacs
(a) Outstanding for a period exceeding six months		
- considered good	168.89	269.87
- considered doubtful	50.60	103.61
(b) Others - considered good		
- Amount receivable from a related party (refer note no. 35)	23.25	—
- Others	1,039.86	1,391.17
	1,282.60	1,764.65
Less : Provision for Doubtful Debts	(50.60)	(103.61)
	1,232.00	1,661.04
19 Cash and Bank Balances	₹ In lacs	₹ In lacs
(a) Cash and cash equivalent		
(i) Balances with banks in current accounts	531.80	1,152.05
(ii) Cash on hand	1.22	2.01
	533.02	1,154.06
(b) Other Bank Balances		
(i) Earmarked Balances with Bank	14.35	14.37
(ii) Fixed Deposits with Banks	2,820.22	3,792.21
[Of the above fixed deposits of ₹ 2,320.23 lacs (Previous year ₹ 3,392.21 lacs) kept as security / margin money against overdraft and guarantees]		
	3,367.59	4,960.64
20 Short-term loans and advances	₹ In lacs	₹ In lacs
(a) Unsecured, Considered Good		
(i) Taxes paid in advance	62.00	5.36
(ii) Advance against purchase of Stores and Spare	113.16	87.64
(iii) Advance against purchase of shares	3.49	3.49
(iv) Cenvat Credit Receivable	206.17	208.97
(v) Others (including ₹ 120.80 lacs due from Executive Vice Chairman (previous year ₹ Nil)) (Refer Note 35(b))	543.55	355.26
(b) Unsecured, Considered Doubtful		
(i) Advance against purchase of Stores and Spare	4.40	2.82
	932.77	663.54
Less : Provision for Doubtful Advance	(4.40)	(2.82)
	928.37	660.72
21 Other current assets	₹ In lacs	₹ In lacs
Interest accrued but not due on Fixed Deposits	137.09	219.50
	137.09	219.50

Notes to Consolidated Statement of Profit and Loss :

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
22	Revenue from Operations :		
	(a) Sale of products;		
	(i) Cement	48,190.75	51,769.35
	(ii) Clinker	4,627.14	2,475.58
	(b) Other operating revenues		
	(i) Sale of Scrap	96.38	253.04
	(ii) Claim from Railway for Cement Shortage	—	2.00
	(iii) Export Entitlement	24.58	20.24
		52,938.85	54,520.21
	Less:		
	(c) Excise duty	6,032.27	6,116.81
		46,906.58	48,403.40
23	Other Income	₹ In lacs	₹ In lacs
	(a) Interest Income	410.24	440.05
	(b) Insurance claim	3.27	4.67
	(c) Profit on sale of fixed assets	3.96	—
	(d) Excess provision written back	96.41	129.58
	(e) Sundry credit balances written back	57.14	168.50
	(f) Provision for doubtful debts written back	53.01	16.56
	(g) Sales Tax refund	28.82	—
	(h) Miscellaneous Income	31.16	15.87
		684.01	775.23
24	Cost of material consumed	₹ In lacs	₹ In lacs
	(a) Raw materials *		
	Opening Stock of Raw Materials	642.14	140.37
	Add: Purchases	4,918.47	3,462.55
	Less: Closing Stock of Raw Materials	329.84	642.14
		5,230.77	2,960.78
	(b) Royalty, Cess and Limestone raising cost		
	(i) Limestone raising and Transportation	1,191.99	1,157.32
	(ii) Royalty	979.16	1,045.09
	(iii) Welfare cess	12.57	15.35
	(iv) District Mineral Fund (DMF) & others	390.40	—
		2,574.12	2,217.76
	(c) Packing material		
	Opening Stock of Packing Materials	44.15	111.48
	Add: Purchases	1,514.09	1,627.13
	Less: Closing Stock of Packing Materials	59.55	44.15
		1,498.69	1,694.46
	Total material consumed	9,303.58	6,873.00
	* Details of Raw Material Consumed		
	(i) Limestone and Marl	3,178.09	1,146.37
	(ii) Gypsum	891.40	874.53
	(iii) Fly Ash	660.98	306.50
	(iv) Clinker (Purchased)	—	122.91
	(v) Others	500.30	510.47
		5,230.77	2,960.78

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
25	Change in inventories of finished goods and work-in-progress		
(a)	Opening stock of inventories		
	Finished Goods - Cement	430.39	327.39
	Work-in-progress - Raw Flour and Clinker	1,553.40	1,234.89
(b)	Closing Stock of inventories		
	Finished Goods - Cement	793.02	430.39
	Work-in-progress - Raw Flour and Clinker	1,918.26	1,553.40
	(Increase) / decrease in inventories	(727.49)	(421.51)
26	Employee Benefits Expense	₹ In lacs	₹ In lacs
(a)	Salaries and wages	2,879.53	2,730.53
(b)	Contribution to provident and other funds	202.51	158.33
(c)	Staff welfare expense	101.61	119.91
		3,183.65	3,008.77
27	Finance Cost		
	Interest Expense	₹ In lacs	₹ In lacs
(a)	On Borrowings	296.99	144.79
(b)	Interest on Customs Duty	76.93	203.15
(c)	On Others	156.34	140.13
		530.26	488.07
28	Other expenses	₹ In lacs	₹ In lacs
(a)	Power and fuel	18,637.58	21,185.78
(b)	Stores and spares consumed	2,619.69	2,679.02
(c)	Repair and maintenance*	1,627.33	1,498.11
(d)	Insurance	125.79	103.20
(e)	Rent	184.56	182.57
(f)	Rates and taxes	29.14	44.55
(g)	Payment to auditors**	11.25	9.89
(h)	Directors' sitting fees	36.60	25.12
(i)	Loss on sale / discard of assets	18.58	39.83
(j)	Bad Debts written off	52.76	13.49
(k)	Wealth Tax	—	7.80
(l)	Travelling and conveyance expenses	621.17	591.05
(m)	Exchange rate fluctuation	55.68	145.01
(n)	Legal and professional expenses	262.40	320.18
(o)	Freight	8,062.61	8,147.45
(p)	Commission and discounts	978.56	907.76
(q)	Selling expenses	1,453.68	1,424.14
(r)	Miscellaneous Expenses	934.48	803.78
		35,711.86	38,128.73
*	Repairs and maintenance		
(a)	Repairs to buildings	242.25	188.10
(b)	Repairs to machinery	904.51	729.02
(c)	Others	480.57	580.99
		1,627.33	1,498.11
**	Payments to the auditors		
(a)	For Statutory Audit	7.04	7.04
(b)	For Tax Audit	2.00	—
(c)	For Other services	2.21	2.85
		11.25	9.89

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs		
29	Exceptional Items				
	Loss on sale of DG sets	—	(752.02)		
	Profit on sale of Office Building and Machinery	—	96.35		
		<u>—</u>	<u>(655.67)</u>		
30	Earning Per Share:				
	(a) Net Profit after Tax (₹ in lacs)	73.90	565.45		
	(b) Total Weighted Average Number of Shares for Basic & Diluted Earning	72,016,866	42,897,414		
	(c) Basic & Diluted Earning per share in rupees	0.10	1.32		
31	(a) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of	₹ In lacs	₹ In lacs		
	(i) Raw Materials	645.95	458.59		
	(ii) Fuel	2,217.83	1,549.62		
	(iii) Components and spare parts	355.75	393.66		
	(iv) Capital goods	52.48	68.92		
	(b) Expenditure in foreign currency during the financial year on account of				
	(i) Professional and Consultation fees	9.25	7.64		
	(ii) Others	152.41	141.31		
	(c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.				
	(i) Raw Materials :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	739.17	14.13	84.18	2.84
	Indigenous	4,491.60	85.87	2,876.60	97.16
		<u>5,230.77</u>	<u>100.00</u>	<u>2,960.78</u>	<u>100.00</u>
	(ii) Stores and Spares :	₹ In lacs	Percentage	₹ In lacs	Percentage
	Imported	488.71	18.66	412.32	15.39
	Indigenous	2,130.98	81.34	2,266.70	84.61
		<u>2,619.69</u>	<u>100.00</u>	<u>2,679.02</u>	<u>100.00</u>
	(d) Earnings in foreign exchange	₹ In lacs	₹ In lacs		
	(i) Export of goods calculated on F.O.B. basis	2,475.41	489.18		
	(ii) Despatch Money received	14.84	—		
32	The amount of expenditure on Corporate Social Responsibility (CSR) activities is ₹ 29.98 lacs (previous year ₹ 36.04 lacs) which includes Capital Expenditure of ₹ NIL (previous year ₹ 9.21 lacs).				

Note No.	Particulars	For the year ended March 31, 2016 ₹ In lacs	For the year ended March 31, 2015 ₹ In lacs
33	Contingent liabilities and commitments (to the extent not provided for)		
	(a) Contingent liabilities		
	(i) Claims against the holding company not acknowledged as debt	792.92	807.18
	(ii) Other money for which the holding company is contingently liable - Matter under dispute		
	– Excise duty	53.95	53.95
	– Customs	74.09	74.09
	– Service Tax	1,165.55	889.98
	– Rajasthan Sales Tax	24.73	24.73
	– Gujarat Sales Tax	112.94	112.94
	– Gujarat VAT	311.84	311.84
	– Income-tax	1.50	1.50
	– Octroi	140.98	140.98
	(iii) The Holding Company is required to comply with the energy consumption norms and standards specified under notification number S.O.687(E) dated 30th March, 2012 of the Government of India, Ministry of Power during the first cycle - 2012-13 to 2014-15. Consequently the Holding Company is required to purchase 13,775 (Nos.) Energy Savings Certificates. The value is not ascertainable as the Certificates are yet to be issued by the Government of India.		
	(b) Commitments		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 70.78 lacs ; previous year ₹ 54.01 lacs)	189.33	132.87
	(ii) Uncalled liability on partly paid debentures	–	1,400.00
34	The Hon'ble BIFR, vide order dated 15th September, 2015, observed that the networth of the Holding Company continues to remain positive after it was discharged from the BIFR in 2011. Accordingly, the bench directed that the Holding Company would continue to remain discharged from the purview of SICA/BIFR.		
35	(A) Related Parties Disclosure:		
	(a) Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Capital :		
	1 Ria Holding Ltd.		
	2 Pranay Holding Ltd.		
	3 Reeti Investment Ltd.		
	4 Prachit Holding Ltd.		
	5 Sumaraj Holding Pvt. Ltd.		
	6 Sunnidhi Trading Pvt. Ltd.		
	7 Shree Anandeya Investment Pvt. Ltd.		
	8 Sameta Exports Pvt. Ltd.		
	9 Pallor Trading Company Pvt. Ltd.		
	10 The Arj Investments Limited		
	11 Treasurer's Trading Limited		
	12 Gujarat Industrial Investment Corp. Ltd.		
	13 Samja Mauritius Limited		
	14 Mehta Investments Pte Limited		
	(b) Holding Company:		
	Bhadra Textiles & Trading Private Limited		

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

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

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

Saurashtra Cement Limited

(B) Disclosure of Related Parties Transactions :

	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ In lacs	₹ In lacs
1 Remuneration to Mr. Jay Mehta *	249.81	280.31
2 Remuneration to Mr. M S Gilotra	140.22	128.16
3 Recovery of excess remuneration for the year 2013-14 from Mr. Jay Mehta as directed by MCA **	194.68	—

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

** In respect of remuneration paid to Executive Vice Chairman for the year 2013-14, the approval of Central Government has been received. In terms of the approval, there is excess remuneration of ₹ 194.68 lacs. Out of this, amount of ₹ 73.88 lacs has been recovered before 31st March 2016. Balance amount of ₹ 120.80 lacs is shown as recoverable in Note No. 20 – Short Term Loans & Advances. The said amount has since been recovered.

4	Payments to relatives of Key Managerial Personnel:		
a.	Directors sitting fees to Mr. M N Mehta	1.50	1.20
b.	Directors sitting fees to Mrs. Juhi Chawla Mehta	2.70	1.20

5 Particulars of transactions with Saurashtra Cement Ltd. The transactions are disclosed in aggregate value for the year:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ In lacs	₹ In lacs
Purchase of Goods & materials	194.91	132.42
Sale of Goods & materials	1,432.16	2,857.25
Services received [Net]	118.77	112.57
Outstanding Receivable / (Payable)	23.25	(8.64)

36 The Holding Company has only one business segment 'Cement / Clinker' as primary segment.

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

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

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit	
	As % of consolidated net assets	₹ In lacs	As % of consolidated profit	₹ In lacs
1	2	3	4	5
Parent : Gujarat Sidhee Cement Limited				
Subsidiaries :				
Indian				
1 Villa Trading Company Pvt. Ltd.	11.52%	2,251.92	1077.51%	796.28
Minority Interest			Not Applicable	
Joint Ventures			Not Applicable	
Total	11.52%	2,251.92	1077.51%	796.28

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

As per our report of even date attached

For **MANUBHAI & SHAH LLP**

Chartered Accountants

Firm Registration No. 106041W / W100136

(DARSHAN SHAH)

Partner

Membership No. 131508

Mumbai, Dated May 27, 2016

For and on Behalf of the Board of Directors

M.N. Mehta

Jay M. Mehta

S. V. S. Raghavan

M. S. Gilotra

V. R. Mohnot

Chairman

Executive Vice Chairman

Director

Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

FORM AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

(₹ in Lacs)

Sl. No.	1
Name of the subsidiary	Villa Trading Company Pvt. Ltd.
Share capital	431.70
Reserves & surplus	1,820.22
Total Assets	9,855.72
Total Liabilities	7,603.80
Investments	9,827.51
Turnover	13.37
Profit / (Loss) before taxation	(101.96)
Provision for taxation	—
Profit / (Loss) after taxation	796.27
Proposed Dividend	—
% of shareholding	100%

For and on Behalf of the Board of Directors

M.N. Mehta

Jay M. Mehta

S. V. S. Raghavan

M. S. Gilotra

V. R. Mohnot

Chairman

Executive Vice Chairman

Director

Managing Director

CFO & Company Secretary

Mumbai, Dated May 27, 2016

BOOK-POST

If undelivered please return to:

GUJARAT SIDHEE CEMENT LIMITED

Off. Veraval-Kodinar Highway, Sidheegram 362 276,

Tal: Sutrapada, District. Gir Somnath, Gujarat

CIN: L26940GJ1973PLC002245