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CEMENT

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Gujarat Sidhee Cement Limited

44th Annual Report 2017-18

GENERAL INFORMATION

BOARD OF DIRECTORS

As on 25.05.2018

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

CFO & Company Secretary
Mr. V. R. Mohnot

Bankers
HDFC Bank Ltd.
State Bank of India

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

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

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

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

Website: www.gujaratsidheecementlimited.com

DIRECTORS' REPORT

DEAR MEMBERS,

The Directors present the 44th Annual Report along with the Audited Accounts and Auditors Report for the Financial Year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The highlights of the financial results for the Financial Year ended 31st March 2018 are given below.

(₹ in Million)

Particulars	Standalone		Consolidated	
	Current F.Y. (2017-18)	Previous F.Y. (2016-17)	**Current F.Y. (2017-18)**	Previous F.Y. (2016-17)
Revenue from Operation (Net of Excise) & Other Income	**5,478.61**	4,459.83	**5,533.73**	4,406.04
Profit/(Loss) before Interest, Depreciation, Exceptional Items and Tax	**445.36**	(212.38)	**499.86**	(221.43)
Finance Cost	**31.22**	30.25	**34.02**	39.53
Profit/(Loss)before Depreciation, Exceptional Items and Tax	**414.14**	(242.63)	**465.84**	(260.96)
Depreciation & Impairment	**95.06**	93.89	**95.06**	93.89
Profit /(Loss) before Tax	**319.09**	(336.52)	**370.79**	(354.85)
Current Tax Expense	**16.24**	-	**18.55**	0.03
Deferred Tax Adjustment	**(29.77)**	(15.11)	**(29.77)**	(16.04)
Profit /(Loss) before share in profits of Associate	**332.62**	(321.41)	**382.01**	(338.84)
Share in Profit of Associate	**-**	-	**67.28**	28.46
Profit/(Loss) for the Year	**332.62**	(321.41)	**449.29**	(310.38)
Total Other Comprehensive Income (net of tax)	**0.90**	(3.16)	**(136.43)**	(2.22)
Total Comprehensive Income	**333.52**	(324.57)	**312.86**	(312.60)
Retained Earnings – Opening Balance	**1,902.25**	2,226.82	**2,070.35**	2,384.11
Add/(Less): Profit/(Loss) for the Year	**332.62**	(321.41)	**449.29**	(310.38)
Remeasurement of Defined Benefit Plans (Net of tax)	**0.90**	(3.16)	**0.83**	(3.38)
Retained Earnings – Closing Balance	**2,235.77**	1,902.25	**2,520.47**	2,070.35

THE YEAR UNDER REVIEW

The All India Cement Consumption increased by 6.3% in 2017-18, bouncing back from negative growth in the previous fiscal year 2016-17. The growth happened on the back of increased spend on roads and railways, push towards affordable housing by Central Government and materialisation of pent up demand. The cumulative index of cement production increased by 5.7% in comparison to decline of 1.3% in previous year. The supply overhang continued in the Indian Cement industry during 2017-18 with capacity utilization of around 65%.

The demand for cement during the first half of the financial year 2017-18 was sluggish on account of after effects of demonetization and implementation of Goods and Service Tax (GST) from 1st July 2017. The adverse effect was more pronounced in housing and infrastructure segments. The cement sector's growth in the second half of 2017-18 was mainly attributable towards the initiatives being undertaken by the government to boost the infrastructure sector by additional spending on the infrastructure facilities. Consequently the cement prices remained depressed in first half of the year but bounced back in second half.

Consumption of cement in our home market Gujarat increased by about 3%. The cement prices in Gujarat also increased and are at the levels prevailing in 2014-15.

The energy costs increased significantly worldwide resulting in substantial increase in the costs of coal, pet coke and diesel for transportation.

PERFORMANCE REVIEW

Your company continued to operate at over 100% capacity utilisation and produced 1.29 million tonnes of clinker and 1.22 million tonnes of cement during the Financial Year. The overall despatches of cement & clinker during the year ended March 2018 were 1.46 million tonnes approximately 2% higher than that in the previous year. There was a significant turnaround in profitability of your Company on account of

reduction in the raw material and power costs, optimization in logistics costs coupled with improved price realisations. During the Financial Year ended 31st March 2018, your Company earned a net profit of ₹ 332.62 million as against a net loss of ₹ 321.41 million in the previous financial year.

Marketing

Your Company's major sales volumes is from the Gujarat region. However, due to the large surplus in the region, your Company continues to maintain a presence in coastal regions of Maharashtra and Kerala. The profitability of these markets remains low on account of high cost of transport and infrastructure.

NEW PROJECTS

During the year under review, the company has also commissioned its 5 MW Waste Heat Recovery Power Project (WHR) which will generated power from the process exhaust gases. Since this power plant does not consume any fossil fuel, the cost of power from WHR would be negligible which has helped the Company to reduce its cost of power. This will also result in substantial reduction in the carbon foot print of the company.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CHANGES IN SHARE CAPITAL

The paid up Equity Share Capital of the company (including the forfeited shares) as on 31st of March 2018 is ₹ 862.07 million and there is no change in the capital.

FINANCIAL STATEMENTS

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

The Consolidated Net Profits of the Company amounted to ₹ 449.29 million for the Financial year ended 31st of March 2018.

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; the 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.

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation 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 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;

(b) that the accounting policies as mentioned in Note No.1 to the Financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual financial statements have been prepared on a going concern basis;

(e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

(f) that systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

Good Governance practices stem from the value system and philosophy of the organisation and your Company is committed to meet the aspirations of all stakeholders. The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and a certificate of Compliance from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2018 forms part of this Report. A declaration by CEO and CFO that Board and Senior Executives have confirmed compliance with the Code of Conduct of the Company also forms a part of the Report as **Annexure B**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

The particulars of every contract or arrangement 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

Your Company believes in inclusive growth to facilitate creation of a value based and empowered society through continuous and purposeful engagement with society around.

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

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

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

Various CSR activities undertaken during Financial Year 2017-18 has been provided in The Management Discussion and Analysis report.

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

LOANS, GUARANTEES AND INVESTMENTS

During the year under review, there were no Loans given, Guarantees provided nor Investments made as is covered under the provisions of Section 186 of the Companies Act, 2013 and under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

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

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of Internal Financial Controls. Accordingly, the Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

The Company has already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, process and operating level standard operating procedures.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Re-appointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Hemnabh Khatau (DIN: 02390064) will retire by

rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of the Director seeking re-appointment along with other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, is enclosed herewith as **Annexure E**.

The Board recommends the re-appointment.

Appointment / Change in Key Managerial Personnel:

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

Board Evaluation

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

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board functioning such as understanding of Board members of their roles & responsibilities, time devoted by the Board to Company's long term strategic issues, quality & timeliness of Board information flow between Board members and management, Board's effectiveness in disseminating of the information to the shareholders and in representing shareholder's interest, Board information on industry trends & regulatory development and discharge of fiduciary duties of the Board.

Committee performance was evaluated on the basis of their effectiveness in carrying out the respective mandates.

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

Declaration by Independent Directors

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

Appointment of Independent Directors

In accordance with the provisions of Section 149 sub-section 10 read along with sub-section 11 of the Companies Act, 2013; an independent director can be appointed for two consecutive term of 5 years each wherein a Special Resolution is required to be passed at the Members meeting for the second consecutive term.

The Board at its meeting held on 25th May 2018, on the recommendation of Nomination & Remuneration Committee had approved and recommended to the Members re-appointment of following Independent Directors for second consecutive term of five years at the ensuing Annual General Meeting. The details of the existing tenure and proposed tenure are provided hereunder:

Sr. No.	Name of the Director	Tenure ends on	Re-appointment proposed	
			From	To
1.	Mr. S.V.S. Raghavan	31.3.2019	1.4.2019	31.3.2024
2.	Mr. P. K. Behl	31.3.2019	1.4.2019	31.3.2024
3.	Mr. M. L. Tandon	31.3.2019	1.4.2019	31.3.2024
4.	Mr. Bimal Thakkar	31.3.2019	1.4.2019	31.3.2024
5.	Mr. M. N. Rao	30.5.2019	31.5.2019	30.5.2024
6.	Mr. K. N. Bhandari	30.5.2019	31.5.2019	30.5.2024
7.	Mrs. Bhagyam Ramani	3.8.2019	4.8.2019	3.8.2024

Brief resume of Directors seeking re-appointment along with other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed herewith as **Annexure E**.

AUDITORS

Statutory Auditors

M/s. Bansi S. Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company, who were appointed to audit the accounts of the Company for the Financial Year 2017-18, hold office upto the conclusion of the ensuing Annual General Meeting.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, it is proposed to reappoint M/s. Bansi S. Mehta & Co, Chartered Accountants (Firm Registration no. 100991W) as Statutory Auditors of the Company to audit the accounts of the Company upto the Financial Year 2021-22 who shall hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of 48th Annual General Meeting at such remuneration as may be decided by the Board from time to time in consultation with the Auditors. As required under the provisions of the Companies Act, 2013, the Company has received written confirmation from M/s. Bansi S. Mehta & Co, Chartered Accountants that their appointment, if made, will be in conformity with the limits specified in the Section 143(1)(g) of the Companies Act, 2013.

Secretarial Auditors

M/s Ragini Chokshi & Co, Practicing Company Secretaries were appointed by the Board of Directors as the Secretarial Auditor of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2017-18. The report of the Secretarial Auditor is annexed as **Annexure F** to this report.

The Board of Directors of the Company on the recommendation of the Audit Committee appointed M/s. Ragini Chokshi & Co, Practicing Company Secretaries as Secretarial Auditor of the Company for the Financial Year 2018-19.

Tax Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Bansi S. Mehta & Co, Chartered Accountants to carry out the Tax Audit for the Assessment Year 2018-19.

Internal Auditors

The Board of Directors on the recommendation of the Audit Committee appointed M/s. Tushar J. Shah, Chartered Accountant, to carry out the Internal Audit of the Company for the Financial Year 2018-19.

Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act, 2013 and 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 2018-19. Certificate of eligibility under Section 148 of the Companies Act, 2013 has also being received from him. 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 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. The Nomination and Remuneration Charter and Compensation Policy is available at http://gscl.mehtagroup.com/policy/nomination-and-remuneration-charter and http://gscl.mehtagroup.com/policy/compensation-policy

Vigil Mechanism

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

Number of Board Meetings

During the year under review four meetings of the Board of Directors were held. The meetings were held on 24th day of May 2017, 14th day of September 2017, 10th day of November 2017 and 9th day of February 2018.

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 G** forming a part of this Report.

Annual Return

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

Particulars of Employees

There were 409 permanent employees in the Company as on 31st March 2018. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure H**.

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

Employee Stock Option Scheme

Nomination & Remuneration Committee and the Board of Directors at its meetings held on 24th May 2017 and the Members at the Annual General Meeting held on 25th July 2017 approved the introduction and implementation of Gujarat Sidhee Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") to create and grant from time to time, in one or more tranches, not exceeding 86,15,385 (Eighty Six Lakh Fifteen Thousand Three Hundred Eighty Five) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under ESOS 2017, exercisable into not more than 86,15,385 (Eighty Six Lakh Fifteen Thousand Three Hundred Eighty Five) equity shares of face value of ₹ 10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.

Based upon the above authority, the Nomination and Remuneration Committee at its meeting held on 8th February 2018, approved grant of 36,47,779 (Thirty Six Lakh Forty Seven Thousand Seven Hundred Seventy Nine) options at an exercise price of ₹ 10/- per option to eligible employees of the Company as per the terms and conditions mentioned in ESOS 2017 to the permanent employees of the Company (including Managing Director) approved by the Members at the Annual General Meeting held on 25th July 2017.

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

Options granted during the year	36,47,779
Options vested during the year	Nil
Options Exercised	Nil
Total number of shares arising as a result of exercise of option	Nil
Options Lapsed	Nil
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	Subject to such approvals as may be required, the Nomination and Remuneration Committee may at any time amend, alter, or vary the terms of the ESOS 2017 and/ or terms of the Options already granted under the ESOS 2017 subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.
Money realized by exercise of options	Options yet to be exercised.
Total no. of options in force	None of the options granted have vested. The number of options in force (Options granted) is 36,47,779

Employee wise details granted to

Key Managerial Personnel

Name	Designation	Number of Options granted
M. S. Gilotra	Managing Director	4,30,769
V. R. Mohnot	CFO & Company Secretary	7,14,093

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

Name	Designation	Number of Options granted
M. S. Gilotra	Managing Director	4,30,769
V. R. Mohnot	CFO & Company Secretary	7,14,093
A. M. Fadia	Director-Legal	2,46,701
Dinesh Randad	President – Works	2,85,015
Randhir Singh	Director - Marketing	4,75,479

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

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

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

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

Other Disclosures:

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

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

GENERAL

Listing Of Equity Shares

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid listing fees as prescribed for Financial Year 2018 - 19.

Staff Relations

Industrial relations at our factory and offices remained cordial.

Secretarial Standards

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

Awards

During the year under review, the Company has bagged Rashtra Vibhushan Award for major contribution in Pollution Control practices, Greenbelt development measures, Environmental training & awareness programmes, conservation of natural resources, Environmental Audits and System Implementation. The Company has been selected for Prestigious "18th Annual Greentech Environment Platinum Award 2018" by Greentech Foundation, New Delhi for outstanding work done in the field of Protecting Environment & Plantation.

Acknowledgement

The Directors thank the Central Government, Government of Gujarat, Financial Institutions, Bankers, Shareholders, Stockists, Dealers and all other stakeholders associated with its operations for the co-operation and encouragement extended to the Company. The Board also takes this opportunity to express its sincere appreciation of the contribution and dedicated work of all the employees of the Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 25.5.2018

M. S. Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The growth in GDP at constant prices for the financial year 2017-18 was 6.6%. The GDP growth in the first half of the financial year was about 6% which increased to about 7.15% in the second half of the fiscal year. The Growth rate for the 8 core industries during the financial year 2017-18 was 4.2% lower than 4.7% in the previous financial year.

Indian economy continues to be one of the fastest growing major economies in the World with 3.1% contribution to Global GDP in last four years, higher by 0.75%. India contributes 21% to world growth despite being 3% of global economy.

India is second largest producer of cement in the world. India's cement industry is vital part of its economy providing employment to more than a million people directly or indirectly. The housing sector is the biggest demand driver, accounting for about 65% of total consumption in India. The other major consumers of cement include Infrastructure at 20% and Industrial development at 15%. The housing segment which had witnessed disruption on account of the after effects of implementation of GST and introduction of RERA in the short term will be benefitted in the long run due to the transparency which will be established by GST and RERA. The infrastructure segment is a key propeller for the Indian markets, contributing significantly to the growth of the national economy. Consequently, the Government of India lays special emphasis on this industry, initiating and establishing several regulatory structures to ensure the advancement of this sector. This sector further witnessed disruption on account of the after effects of demonetization, implementation of GST and introduction of RERA. Infrastructure segment received impetus with increased Government spending on infrastructure projects under Bharatmala and Sagarmala for roads and dedicated freight corridors for railways. The housing and real estate segment received impetus from housing for all / Pradhan Mantri Awas Yojana initiative in rural areas and affordable housing in urban areas.

The Indian cement industry has installed cement capacity of 455 million tons with production during the year of 297 million tons registering a capacity utilization of around 65%. The Country's per Capita consumption stands at around 225 kg. The consolidation in the Indian cement industry continues with top 10 companies accounting for about 60% of the installed capacity and 25 companies having 90% of the installed capacity. 94 Major companies have 247 large plants with 98% in private sector. 55% of the installed capacity is located in South & North India and 40% of plants are located in 4 states – Andhra Pradesh, Rajasthan, Tamilnadu & Telangana.

The huge surplus of capacity over demand and inefficient infrastructure for bulk transports results in volatile prices in most regions. The fractured structure of the industry also results in unhealthy competition and un-remunerative prices from time to time.

The cement market in the state of Gujarat remained fragmented with surplus capacity available in the states of Gujarat and Rajasthan. The export volume remained low due to un-remunerative prices.

Future Outlook

The Indian economy is expected to grow further at good pace owning to series of policy measures, improvement in rating on "ease of doing business", "global competitive index", "logistic performance index" and "global innovation index" and India being one of the Top-10 FDI destinations. The various initiatives like Pradhan Mantri Aawas Yojana, Development of Smart Cities, Swachh Bharat Mission, Concrete Highways, Coastal Road Development (Sagarmala), Western and Eastern dedicated freight corridor, bullet train, metro rail, power projects, port development to double handling capacity, Make in India, Special Investment Region (SIR), etc are likely to propel growth in housing, infrastructure and industrial construction.

The eastern states of India are expected to be the new and virgin markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and around Visakhapatnam, will have an added advantage for exports and will logistically be well equipped to face stiff competition from cement plants in the interior of the country.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by the year 2025.

Opportunities & Threats

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

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

The amended Mines and Minerals (Development and Regulation) Act, 2015 creates hurdles and difficulties for allotment and renewal of mining leases. The high rates of taxation in the form of Royalty and different mineral rates etc. results in cost pressure and lower profitability.

Segment Review and Analysis

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

The infrastructural constraints and the high cost of handling of cement at public ports is a growing concern. The cost of delivery by road is adversely affected by the frequent changes in the deregulated diesel prices.

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.

Risks and Concerns

I. The Indian Cement Industry is becoming intensely competitive, with addition of new entities and existing companies expanding its capacity inorganically. This could potentially impact the sales volumes, market share and profitability of your Company. Over capacity of cement versus the demand is resulting in very volatile market conditions and profitability of cement business.

II. Increase in cost of raw materials, energy, delivery cost, duties and taxes are pushing the cost of production without a corresponding increase in the price realizations due to excess supply, which will pose a threat to improving the overall scenario in cement sector. The increase in costs may be difficult to pass on to the customers as the prices would remain under pressure due to the excess capacity.

Internal Control systems and their adequacy

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

Human Resource Development / Industrial Relations

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

Acknowledging, "continuous Learning is the key to continuous improvement in performance" the management is using more than one method for employee development viz- leadership development programs, cross functional team assignments, job rotation, E-learning, video-conferencing are some of the additional initiatives undertaken.

The management recognizes performing and potential employees, however at the same time, it recognizes the importance of employees who are with the Company for long and have contributed to its growth. During the year under review, ESOP scheme was rolled out in order to recognize the performers, potential leader, long serving employees and as a retention measure.

The employee engagement survey revised with new initiative "talk to me" had overwhelming response. The new initiative helped us understand the pulse of our employees and their pain area and aspirations. The policies and practices are being aligned to meet the business objectives.

The Industrial relations at the plant were cordial.

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

The Company had 409 permanent employees as on 31.3.2018.

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. The Company lays emphasis on understanding the requirements of the local community and embark on initiatives, investing considerable resources, which create long-term societal benefits.

Your Company takes utmost care in the selection of community interventions initiated. 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

GSCL 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 programs for employees/workers and communities in the vicinity.

Education

Your 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.

Sanitation

Your Company is committed to improve sanitation as majority of the rural people in the vicinity of the plant do not have proper facility of sanitation. The Company is in cooperation with Government of India in Swachh Bharat Abhiyan initiative.

Reforestation

Your Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant premises and nearby areas. Your Company has planted more than two lakh trees in the last one decade with survival rate of more than 90%. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

Cautionary Statement

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

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

On behalf of the Board of Directors

Place : Mumbai
Dated : 25.5.2018

M.S.Gilotra
Managing Director

Jay Mehta
Executive Vice Chairman

Annexure B

CORPORATE GOVERNANCE

1. *COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:*

Corporate Governance is a systematic process by which the companies are directed and controlled to enhance their wealth creation capacity. We believe that governance process should ensure that these resources are utilized in a manner that meets the stakeholders aspirations and societal expectations.

We believe that the management must have the executive freedom to drive the enterprise forward without constraints and this freedom of management should be exercised with a framework of effective accountability. Further any meaningful policy of Corporate Governance must empower the executive management of the company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision making process is vested in the executive management are used with care and responsibility to meet shareholders expectations and societal expectations.

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

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

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

1.1. *GOVERNANCE STRUCTURE*

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

a) Board of Directors:

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

b) Committees of Board:

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

c) Executive Management :

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

2. *BOARD OF DIRECTORS :*

(i) Composition (As on 31.3.2018)

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, 2018 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**

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

2.1 Profile of Directors

The brief profile of each Director is given below:

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

Mr. M. N. Mehta, aged 86 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.

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

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

Mr. Jay Mehta, aged 57 years, has graduated in Industrial Engineering from Columbia University in 1983 and has completed MBA from The International Institute of Management Development (IMD) in Lausanne, Switzerland. He has over 3 decades of experience in Cement Industry. He is also Executive Vice Chairman of Saurashtra Cement Limited and Board member of various subsidiary companies, private and public limited companies in India. Mr. Jay Mehta is a Member of Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Board.

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

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

Mr. Hemnabh R. Khatau, aged 57 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 – DIN: 01401447 (Non-Executive Director, Non-Independent)

Mr. Venkatesh Mysore, aged 59 years, is qualified MBA in Marketing & Finance from Madras University and also attained his Chartered Life Underwriter (CLU) designation from the American College in 1991. He has got more than 25 years experience and his last assignment was that of the India Country Head of Sun Life Financial of Canada since January 2007 and prior to that he was with Metlife, USA for over 21 years. He is also on the Board of several public limited companies. Mr. Venkatesh Mysore is the Chairman of Stakeholders Relationship & Grievances Committee and Member of Allotment Committee of the Board.

He joined the Board of the Company in October, 2010 and was reappointed in current term on 25.7.2017.

(v) Mrs. Juhi Chawla Mehta – DIN: 00161706 (Non-Executive Director, Non-Independent)

Mrs. Juhi Chawla Mehta, aged 51 years, is Commerce Graduate from University of Mumbai with Honors. She is renowned Cine Artist. She is also on the Board of private limited companies. She is the Member of Corporate Social Responsibility (CSR) Committee of the Board.

She joined the Board of the Company on 31.5.2014.

(vi) Mr. Y. K. Vyas – DIN: 03420201 (Non-Executive Director, GIIC Nominee, Non-Independent)

Mr. Y. K. Vyas, aged 61 years, has done B. E. (Mech). Mr. Vyas is working as Manager (Projects) and Zonal Manager (Rajkot) of Gujarat Industrial & Investment Corporation Ltd.

He joined the Board of the Company in 10.2.2015 and was reappointed in current term on 25.7.2017.

(vii) Mr. M. L. Tandon – DIN: 00078923 (Non-Executive Director, Independent)

Mr. M. L. Tandon, aged 79 years, has done M.S.E.E.(Purdue), USA, MBA (U.S.C,U.S.A). He is an Industrialist. He is on the Board of several private and public limited companies. He is the Member of Audit Committee and Nomination & Remuneration Committee of the Board.

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

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

Mr. S. V. S. Raghavan, aged 88 years, is IDAS (Retd). He has been awarded Padmashri by Government of India for his excellent services. He was also given the award of the "First Citizen of India" by the President of India. He was the Chairman of BHEL, MMTC, STC, BBIL and retired in the rank of Secretary of the Ministry of Commerce, Government of India, New Delhi. He is the Chairman of Audit Committee and Nomination & Remuneration Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

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 – DIN: 00653859 (Non-Executive Director, Independent)

Mr. P. K. Behl, aged 75 years, is First Class First Graduate Double Gold Medalist in Special Economics from Jaipur University. He retired as Executive Director (International Operations) from Life Insurance Corporation of India controlling in Sri Lanka, Mauritius, Nepal, U.K. and Bahrain and has vast knowledge on corporate matters. Short listed as Life Member for IRDA. He is the Member of Audit Committee and Nomination & Remuneration Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

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 – DIN: 00087404 (Non-Executive Director, Independent)

Mr. Bimal Thakkar, aged 53 years, has done B.Com and Diploma in Export Management and has also done a course in International Business and Marketing from Trade Development Institute of Ireland. He has over two decades of experience and is currently spearheading the ADF Group. He has been instrumental in expansion of the business and promoting the company's products in international markets, development of Brands and creating new markets for the products in U.K. USA, Gulf, Australia, Europe etc. He is also on the Board of several public limited companies. He is a Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Allotment Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

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 – DIN: 00027131 (Non-Executive Director, Independent)

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

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

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

Mr. K. N. Bhandari, aged 76 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. Mr. K. N. Bhandari is a Member of Nomination & Remuneration Committee of the Board. He is also on the Board of Saurashtra Cement Limited.

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

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

Mrs. Bhagyam Ramani, aged 66 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 is also on the Board of Saurashtra Cement Limited.

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

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

Mr. M.S. Gilotra, aged 68 years, is a Mechanical Engineer from BITS, Pilani. He has total experience of more than 4 decades. His total experience includes 21 years tenure with Associated Cement Companies Ltd. (ACC). During his career he has served as head of operations of various cement units and has also been extensively involved in reviewing feasibility of new ventures, project execution and management. Mr. Gilotra is in charge of day-to-day operations of the Company and has substantial power of management. He is also the Managing Director of Saurashtra Cement Limited. He is a Member of Audit Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship & Grievances Committee of the Board.

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

2.2 Directors Resigned during the year.

None of the directors resigned during the year.

2.3 Appointment / Re-appointment of Directors

Mr. Hemnabh R. Khatau, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

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

Re-appointment of Independent Directors

In accordance with the provisions of Section 149 sub-section 10 read along with sub-section 11 of the Companies Act, 2013; an independent director can be appointed for two consecutive term of 5 years wherein a Special Resolution is required to be passed at the Shareholders meeting for the second consecutive term.

The Board at its meeting held on 25th May 2018, on the recommendation of Nomination & Remuneration Committee approved and recommended to the Shareholders for consideration with regard to re-appointment of following Independent Directors for second consecutive term of five years at the ensuing Annual General Meeting. The details of the existing tenure and proposed tenure are provided hereunder:

Sr. No.	Name of the Director	Tenure ends on	Re-appointment proposed	
			From	To
1.	Mr. S.V.S. Raghavan	31.3.2019	1.4.2019	31.3.2024
2.	Mr. P. K. Behl	31.3.2019	1.4.2019	31.3.2024
3.	Mr. M. L. Tandon	31.3.2019	1.4.2019	31.3.2024
4.	Mr. Bimal Thakkar	31.3.2019	1.4.2019	31.3.2024
5.	Mr. M. N. Rao	30.5.2019	31.5.2019	30.5.2024
6.	Mr. K. N. Bhandari	30.5.2019	31.5.2019	30.5.2024
7.	Mrs. Bhagyam Ramani	3.8.2019	4.8.2019	3.8.2024

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

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

During the financial year under review, four Board meetings were held. The meetings were held on the 24th day of May 2017, 14th day of September 2017, 10th day of November 2017 and 9th day of February 2018. The Directors are also given an option of attending the board meeting through Video conferencing. The last Annual General Meeting (AGM) was held on 25th July 2017. The details of attendance at Board Meetings and at the last Annual General Meeting during the year under review are as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relationships	No. of shares held
1.	Mr. M. N. Mehta	Chairman, Non-Executive, Non-Independent	3	No	Father of Mr. Jay Mehta	–
2.	Mr. Jay Mehta	Executive Vice Chairman, Non-Independent	4	Yes	Son of Mr. M. N. Mehta	1000
3.	Mrs. Juhi Chawla Mehta	Non-Executive, Non-Independent	3	No	Wife of Mr. Jay Mehta	78600
4.	Mr. Hemnabh Khatau	Non-Executive, Non-Independent	3	No	–	–

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance of last AGM	Relationships	No. of shares held
5.	Mr. Venkatesh Mysore	Non-Executive, Non-Independent	2	No	–	–
6.	Mr. Y. K. Vyas	Non-Executive, Non-Independent	3	No	–	–
7.	Mr. M. L. Tandon	Non-Executive, Independent	1	No	–	–
8.	Mr. P. K. Behl	Non-Executive, Independent	4	Yes*	–	–
9.	Mr. S.V.S. Raghavan	Non-Executive, Independent	3	No	–	–
10.	Mr. Bimal Thakkar	Non-Executive, Independent	4	No	–	–
11.	Mr. M. N. Rao	Non-Executive, Independent	4	Yes	–	–
12.	Mr. K. N. Bhandari	Non-Executive, Independent	4	No	–	–
13.	Mrs. Bhagyam Ramani	Non-Executive, Independent	4	No	–	–
14.	Mr. M.S. Gilotra	Managing Director, Non-Independent	4	No	–	–

*As alternate Chairman of Audit Committee.

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

Agenda:

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

Information to the Board of Directors

The following information is circulated along with agenda / placed before the Board as and when applicable:

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

Invitees & Proceedings:

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

2.5 Other Directorships

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

The details of the Directorships and Committee memberships in other Companies held by the Directors as on 31st March 2018 are given below:

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**	
			Chairman	Member
1.	Mr. M. N. Mehta Chairman, Non-Executive, Non-Independent	6	-	-
2.	Mr. Jay Mehta, Executive Vice Chairman, Non-Independent	7	-	1
3.	Mrs. Juhi Chawla Mehta, Non-Executive, Non-Independent	-	-	-
4.	Mr. Hemnabh Khatau, Non-Executive, Non-Independent	6	-	-
5.	Mr. Venkatesh Mysore, Non-Executive, Non-Independent	2	1	-
6.	Mr. Y. K. Vyas, Non-Executive, Non-Independent	5	-	-
7.	Mr. M .L. Tandon, Non-Executive, Independent	8	-	-
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	1	1
11.	Mr. M. N. Rao, Non-Executive, Independent	1	1	-
12.	Mr. K. N. Bhandari, Non-Executive, Independent	8	5	6
13.	Mrs. Bhagyam Ramani, Non-Executive, Independent	6	-	6
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.

2.6 INDEPENDENT DIRECTORS

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Annual General Meeting held on 18th September 2014. None of the Independent Directors serve as "Independent Directors" in more than seven listed companies. The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and SEBI (LODR) 2015.

As per Schedule IV to the Companies Act, 2013 and Clause 25 of SEBI (LODR) 2015, a separate meeting of the Independent Directors of the Company was held on 24th May 2018 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also assessed the quality, quantity and timeliness of flow of information necessary for the Board to discharge its duties between the Company's management and its Board.

2.7 FAMILIARIZATION PROGRAMME FOR THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

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

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

The familiarization 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-calendar year-2018.

2.8 Evaluation of the Board's Performance

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

3. AUDIT COMMITTEE:

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

The Audit Committee of the Board comprises of six 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. Mr. M. N. Rao, Independent Director was inducted as Member of the Committee w.e.f. 12.5.2017.

During the year under review, four meetings of Audit Committee were held. The meetings were held on 24th day of May 2017, 14th day of September 2017, 10th day of November 2017 and 9th day of February 2018. Partners/Representative from Statutory Auditors and Internal 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	1
Mr. P. K. Behl, Member	4	4
Mr. Bimal Thakkar, Member	4	4
Mr. M.S. Gilotra	4	4
Mr. M. N. Rao (inducted as Member w.e.f. 12.5.2017)	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;

4. *CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE*

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

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

During the year under review, the Committee had one meeting. The meeting was held on 23rd day of May 2017. Details of CSR Committee Meeting attended by the Members are given below:

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

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

Terms of Reference:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII;

b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

c) To monitor the CSR Policy of the Company from time to time; and

d) Such other Terms of Reference as may be specified from time to time under the Companies Act, 2013, Rules thereunder and Schedule VII of the Act.

5. *NOMINATION AND REMUNERATION COMMITTEE*

The Nomination and Remuneration Committee comprises of four Independent Directors viz. Mr. S. V. S. Raghavan, Mr. P. K. Behl and Mr. M.L. Tandon. Mr. S. V. S. Raghavan is the Chairman of the Nomination and Remuneration Committee. Mr. K. N. Bhandari, Independent Director was inducted as Member w.e.f. 24.5.2017.

During the year under review, Two meetings of Nomination and Remuneration Committee were held. The meetings were held on 24th day of May 2017 and 8th day of February 2018.

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

Sr. No.	Members of Nomination and Remuneration Committee	No. of meetings held	No. of meetings attended.
1.	Mr. S.V.S. Raghavan (Chairman)	2	2
2.	Mr. M. L. Tandon (Member)	2	-
3.	Mr. P. K. Behl (Member)	2	2
4.	Mr. K. N. Bhandari (Member-Inducted w.e.f. 24.5.2017)	2	1

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

Terms of Reference

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

REMUNERATION / COMPENSATION POLICY

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

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

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

DETAILS OF REMUNERATION OF DIRECTORS PAID FOR THE FINANCIAL YEAR 2017-18.

Executive Directors :

₹ in Lacs

					Exempt Benefits				
Name	**Salary & Allowances**	**Perquisites**	**Contribution to Super-annuation (Taxable)**	**Performance linked Incentives**	**Total**	**Contribution to PF**	**Contribution to Super-annuation**	**ESOP* Numbers**	**Total**
Mr. Jay M Mehta, Executive Vice Chairman	37.05	Nil	Nil	Nil	37.05	8.64	Nil	Nil	45.69
Mr. M.S.Gilotra, Managing Director	186.83	Nil	15.39	Nil	202.22	12.17	Nil	4,30,769	214.39

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

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

Non-Executive Directors :

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

Director	No. of Board Meetings attended	No. of Committee Meetings attended	Total	Amount of sitting fees paid (₹)
Mr. M.N. Mehta, Chairman	3	-	3	1,50,000
Mr. M. L. Tandon	1	1	2	1,00,000
Mr. S. V. S. Raghavan	3	6	9	4,50,000
Mr. P. K. Behl	4	7	11	5,50,000
Mr. Bimal Thakkar	4	5	9	4,50,000
Mr. Hemnabh Khatau	3	-	3	1,50,000
Mr. Venkatesh Mysore	2	4	6	1,80,000
Ms. Juhi Chawla Mehta	3	1	4	1,70,000
Mr. M.N. Rao	4	5	9	4,50,000
Mr. K. N. Bhandari	4	2	6	3,00,000
Mr. Y.K.Vyas, GIIC Nominee	3	-	3	1,50,000
Mrs. Bhagyam Ramani	4	1	5	2,50,000
Total				**33,50,000**

Pursuant to authority delegated to the Board / Committee of the Board, the Nomination and Remuneration Committee at its meeting held on 8th February 2018 approved grant of 36,47,779 options at an exercise price of ₹ 10/- per option to eligible employees of the Company as per the terms and conditions mentioned in ESOS 2017 approved by the Shareholders at the Annual General Meeting held on 25th July 2017 during the financial year ended 31.3.2018.

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

Options granted during the year	36,47,779
Options vested during the year	Nil
Options Exercised	Nil
Total number of shares arising as a result of exercise of option	Nil
Options Lapsed	Nil
Exercise Price	₹ 10/- per option
Option cancelled	Nil
Variation of terms of Option	Subject to such approvals as may be required, the Nomination and Remuneration Committee may at any time amend, alter, or vary the terms of the ESOS 2017 and/ or terms of the Options already granted under the ESOS 2017 subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.
Money realized by exercise of options	Options yet to be exercised.
Total no. of options in force	None of the options granted have vested. The number of options in force (Options granted) is 36,47,779

Employee wise details granted to:

Key Managerial Personnel

Name	Designation	Number of Options granted
M. S. Gilotra	Managing Director	4,30,769
V. R. Mohnot	CFO & Company Secretary	7,14,093

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

Name	Designation	Number of Options granted
M. S. Gilotra	Managing Director	4,30,769
V. R. Mohnot	CFO & Company Secretary	7,14,093
A. M. Fadia	Director-Legal	2,46,701
Dinesh Randad	President – Works	2,85,015
Randhir Singh	Director - Marketing	4,75,479

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

6. *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 overseas the redressal of the investor grievances.

During the year under review, the Committee had four meetings. The meetings were held on 26th day of May 2017, 14th day of September, 2017, 2nd day of November 2017 and 9th day of February 2018.

Members of Stakeholders Relationship & Grievances Committee	No. of meetings held	No. of meetings attended
Mr. Jay Mehta, Executive Vice Chairman	4	3
Mr. M. S. Gilotra, Managing Director	4	4
Mr. Venkatesh Mysore, Director	4	4

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

The approved minutes of the Stakeholders Relationship & Grievance 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 the Shareholders of the Company including complaints related to transfer of shares, non receipt of Balance Sheet and non receipt of declared dividends.

7. *VIGIL MECHANISM / WHISTLE BLOWER POLICY*

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

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

Name of the Chairman	Address	Contact No(s).
Mr. 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.

8. *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
2016-17	25.07.2017	10.00 a.m.	Registered Office at "Sidheegram" Off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Gir Somnath	Nil
2015-16	23.08.2016	10.00 a.m.	-do-	Nil
2014-15	22.09.2015	10.30 a.m.	-do-	Nil

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

Financial Year	Date of AGM	Particulars of Special Resolution
2016-17	25.7.2017	1. Confirmation and ratification of revision in remuneration paid to Mr. Jay Mehta, Executive Vice Chairman of the Company for the period from 1.1.2014 to 31.3.2015. 2. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman of the Company for the period from 1.4.2015 to 31.12.2015. 3. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman of the Company for the period from 1.1.2016 to 31.12.2016. 4. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman of the Company for the period from 1.1.2017 to 31.3.2017. 5. Approval for payment of remuneration to Mr. M. S. Gilotra, Managing Director upto 31st December 2018 as per revised Schedule V under the Companies Act, 2013.

Financial Year	Date of AGM	Particulars of Special Resolution
		6. Introduction and implementation of Gujarat Sidhee Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017) and authorizing Board of Directors / Committee to create and grant from time to time, in one or more tranches not exceeding 8615385 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, its subsidiary company or holding company, including any Director, whether whole time or otherwise, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under ESOS 2017, exercisable into not more than 8615385 (Sixty nine lacs nineteen thousand one hundred and six) equity shares of face value of ₹ 10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017. 7. Authorized Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create and grant from time to time, in one of more tranches such number of Employee Stock Options under Gujarat Sidhee Employee Stock Option Scheme 2017 ("ESOS 2017") (hereinafter referred to as the "ESOS 2017") within the limit prescribed therein to or for the benefit of such person(s) who are in permanent employment of any existing or in future Subsidiary Company of the Company, including any Director thereof, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), of any existing and future Subsidiary Company(ies) of the Company whether in or outside India as may be decided under ESOS 2017, exercisable into corresponding number of Equity Shares of face value of ₹ 10 /- (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOS 2017.
2015-16	23.08.2016	1. Approval of Members was sought that in case of default by the Company, SREI Infrastructure Limited shall have an option to convert the defaulted loan amount into equity shares of the Company, at any point of time during the currency of the loan at valuation as per terms of the agreement subject to the then prevailing SEBI guidelines / Regulations / relevant provisions under Companies Act, 2013.
2014-15	22.09.2015	1. Replacement of existing Articles of Association with a new set of Articles of Association pursuant to Section 14 and other applicable provisions of the Companies Act, 2013. 2. Waiver of excess remuneration paid to Mr. Jay Mehta, Executive Vice Chairman for the Financial Year ended 31st March 2015. 3. Payment of Remuneration to Mr. Jay Mehta, Executive Vice Chairman for the period 1.4.2015 to 31.12.2015. 4. Re-appointment of Mr. Jay Mehta, Executive Vice Chairman for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 5. Payment of Remuneration to Mr. M. S. Gilotra, Managing Director for the period 1.4.2015 to 31.12.2015. 6. Re-appointment of Mr. M. S. Gilotra, Managing Director for a period of 5 years from 1.1.2016 to 31.12.2020 and payment of remuneration over a period of 3 years from 1.1.2016 to 31.12.2018 by 5% increase for the calendar year 2016 on the total remuneration drawn as on 31.12.2015. 7. Related Party Transactions pursuant to the provisions of Section 188 and any other application provisions of the Companies Act, 2013.

No resolutions were put for voting through postal ballot.

(ii) Extraordinary General Meetings:

No Extraordinary General Meeting was held during the year.

(iii) Special Resolutions:

As stated above.

9. *DISCLOSURES:*

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 38 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 Exchanges 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 (Indian Accounting Standards) Rules, 2015 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'** constituted under this policy comprising senior officials (including senior women employee) of the Company and an independent member from NGO, for conducting of inquiry into such complaints, recommending suitable action during the pendency and/or completion of the inquiry including strict disciplinary action including termination of the services.

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10. *MEANS OF COMMUNICATION:*

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

11. *GENERAL SHAREHOLDERS INFORMATION:*

i)	Audited results for the current Financial Year ended 31st March 2018.	Friday the 25th May, 2018	
ii)	Board Meeting for consideration of unaudited results	Quarter I (ended 30.6.2017) Quarter II (ending 30.9.2017) Quarter III (ending 31.12.2017) Quarter IV (ending 31.3.2018)	Within the period as stipulated under the SEBI Regulations 2015
iii)	Annual General Meeting is proposed to be held	Monday the 13th August, 2018	
iv)	Date of Book closure	Wednesday the 1st August, 2018 to Monday the 13th August, 2018 (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 2018-19 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 31.3.2018 relating to transfer of shares.

viii) Share Transfer System

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

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

ix) Distribution of Shareholding as on 31.3.2018:

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	53648	91.80	5446077	6.32
501 – 1000	2193	3.75	1759001	2.04
1001 – 2000	1192	2.04	1757357	2.04
2001 – 3000	502	0.86	1276545	1.48
3001 – 4000	184	0.31	659268	0.77
4001 - 5000	194	0.33	923259	1.07
5001 - 10000	278	0.48	2067589	2.40
10001 – above	251	0.43	72264756	83.88
TOTAL	**58442**	**100.00**	**86153852**	**100.00**

x) Shareholders Profile as on 31.3.2018:

Category	No. of share-holders	%	No. of shares held	%
Promoter Group Companies	17	0.03	61978076	71.94
Bodies Corporate	530	0.91	4086174	4.74
NRIs	516	0.88	272503	0.32
FIIs	11	0.02	23175	0.03
Financial Institutions	1	-	275	-
Banks	8	0.01	221252	0.25
Mutual Fund	7	0.01	31256	0.04
Overseas Corporate Bodies	2	-	8550	0.01
Indian Public	57350	98.14	19532591	22.67
Total	**58442**	**100.00**	**86153852**	**100.00**

xi) Dematerialization of shares:

As on 31.3.2018, 8,48,70,653 equity shares constituting 98.51% of the Company's total paid-up share capital were held in dematerialized form with NSDL and CDSL.

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

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

xiii) Stock Market price data for the period 2017 – 2018:

GSCL Price on BSE & NSE

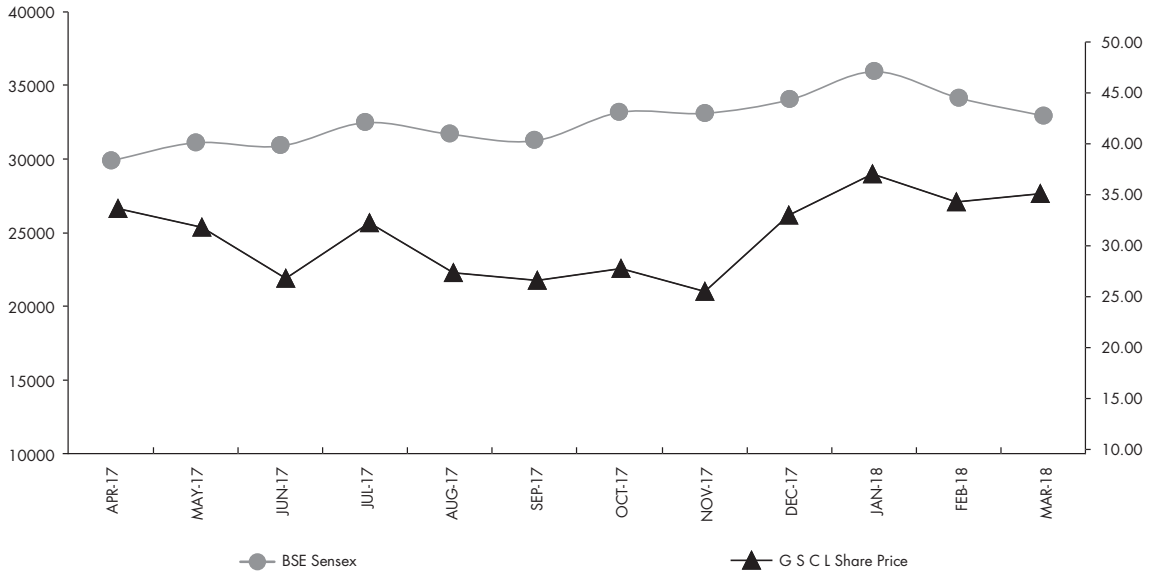
(Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2017	34.70	27.85	33.90	28.05
May 2017	33.00	25.75	31.75	26.90
June 2017	27.80	26.10	27.25	26.20
July 2017	29.75	26.60	29.50	27.35
August 2017	28.00	23.55	27.35	24.05
September 2017	40.85	25.40	38.80	26.85
October 2017	39.95	32.00	38.90	33.30
November 2017	38.45	31.55	36.80	31.75
December 2017	37.10	31.80	36.10	33.00
January 2018	40.70	33.00	38.90	33.55
February 2018	37.00	30.15	35.85	30.60
March 2018	32.75	25.70	31.70	26.50

xiv) Stock Performance (Index)

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

APRIL 2017 to MARCH 2018



Plant Location :

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

(xv) Address for correspondence :

1. **Registered Office :**
   "Sidheegram", off Veraval-Kodinar Highway,
   Pin Code 362 276, Dist. Gir Somnath,
   Gujarat.
   E-mail 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 Registrars & Transfer Agent :

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

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

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

xvi) Mandatory requirement of PAN:

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

12. *NON MANDATORY REQUIREMENTS :*

(a) Chairman's Office :

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

(b) Shareholders Rights:

As the Company's 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 2018 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 31.3.2018 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	**M. S. Gilotra**	**Jay Mehta**
Dated : 25.5.2018	Managing Director	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 2018.

On behalf of the Board of Directors

Place : Mumbai	**M. S. Gilotra**	**Jay Mehta**
Dated : 25.5.2018	Managing Director	Executive Vice Chairman

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
GUJARAT SIDHEE CEMENT LIMITED

1. We have examined the compliance of conditions of by **GUJARAT SIDHEE CEMENT LIMITED** ("the Company"), for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

9. Restriction on use

The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place: Mumbai
Date: May 25, 2018

Annexure C

Form No. AOC-2

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

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

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

Not Applicable as all the contracts are at arm's length basis.

(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. Sale / Purchase of clinker and cement at the rates fixed by the Audit Committee.

b. Availing, rendering services like administration, human resources and sharing of common expenses on agreed formula etc.

c. Brand fee for use of Brand "Hathi" as per Brand valuation report.

All above transactions are at prevailing market price and at arms length basis.

(c) Duration of the contracts/arrangements/transactions

Nil

(d) Salient terms of the contracts or arrangements or transactions including the value , if any.

Please refer item (b) above.

(e) Date(s) of approval by the Board, if any.

24th May 2017

(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 : 25.5.2018

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 Mrs. Juhi Chawla Mehta, Director Mr. Bimal Thakkar, Independent Director
3.	Average net profit of the Company for last three years	N.A. as the Company incurred losses in F.Y. 2014-15, 2015-16 and 2016-17.
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	In accordance with Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities for the Financial Year 2017-18 due to loss during F.Y. 2015-16 and 2016-17. However, as a good corporate governance practice, the company has carried out following CSR activities during FY 2017-18. 1. Health Care and Blood Donation Camp. 2. Plantation and Environment awareness in nearby villages. 3. Drinking water to nearby villages.
5.	Details of CSR spent during the financial year	Not Applicable
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Jay Mehta
Executive Vice Chairman &
Chairman of the CSR Committee

Annexure E

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

Name of Director	Mr. Hemnabh R. Khatau	Mr. S.V.S. Raghavan	Mr. M.N. Rao	Mr. K.N.Bhandari
Date of Birth	27th February, 1961	4th May, 1930	1st July, 1937	1st March, 1942
Date of Appointment	Initially joined the Board on October, 2008 and was reappointed in current term on 22nd September, 2015.	Initially joined the Board in April, 1992 and was reappointed in current term as Independent Director on 31.5.2014.	He joined the Board in current term as Independent Director on 31.5.2014	He joined the Board in current term as Independent Director on 31.5.2014
Nature of Expertise in specific General Functional area	Developing and implementing successful strategies for growth and improving performance.	IDAS Retd. Conferred Padmashri by Govt of India	Experience in Cement Industry	Experience in Insurance Industry
Qualification	Graduated with B.A (Electrical Engineering) from Cambridge University, MSc (Microprocessor Engineering) (UMIST) and MSc (Sloan Fellowship Masters Programme, London Business School	Retired IDAS Officer	B.Sc., BE (Mech)	B.A., LLB
List of outside Director ships held (Public Limited Companies)	1. Pranay Holdings Ltd 2. Prachit Holdings Ltd 3. Ria Holdings Limited 4. Reeti Investments Limited 5. Agrima Consultants International Ltd 6. Saurashtra Cement Limited	1. Saurashtra Cement Limited	1. Saurashtra Cement Limited	1. Andhra Cements Ltd 2. Agriculture Ins. Co. of India Ltd 3. Shristi Infrastructure Development Corporation Ltd 4. Hindalco Industries Ltd 5. Magma HDI General Insurance Co. Limited 6. Jaiprakash Associates Ltd 7. Suvas Holdings Ltd 8. Saurashtra Cement Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Nil	Audit Committee - Chairman	Audit Committee - Member	Nil

Name of Director	Mr. Hemnabh R. Khatau	Mr. S.V.S. Raghavan	Mr. M.N. Rao	Mr. K.N.Bhandari
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director				
a) Audit Committee	Nil	1. Saurashtra Cement Limited	1. Saurashtra Cement Limited	1. Andhra Cements Ltd – Chairman 2. Agriculture Ins. Co. of India Ltd - Chairman 3. Shristi Infrastructure Development Corp Ltd - Member 4. Hindalco Industries Ltd – Member 5. Suvas Holdings Ltd – Chairman 6. Jai Prakash Associates Ltd – Chairman 7. Magma HDI General Insurance Co. Ltd – Member
b) Shareholders Committee	Nil	Nil	Nil	1. Hindalco Industries Ltd – Chairman 2. Shristi Infrastructure Development Corp Ltd - Member 3. Magma HDI General Insurance Co. Ltd – Member
Shares held by the Directors in the Company	Nil	Nil	Nil	Nil

Annexure E (contd.)

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

Name of Director	Mr. M. L. Tandon	Mrs. Bhagyam Ramani	Mr. Bimal Thakkar	Mr. P.K.Behl
Date of Birth	24th June, 1939	9th January, 1952	17th September, 1965	15th June, 1943
Date of Appointment	Initially joined the Board in July, 1987 and was reappointed in current term as Independent Director on 30.5.2014	She joined the Board in current term as Independent Director on 31st May, 2014	Initially joined the Board in October, 2008 and was reappointed in current term as Independent Director on 31.5.2014	Initially joined the Board in October, 2001 and was reappointed in current term as Independent Director on 31.5.2014
Expertise in specific General Functional area	Industrialist	Experience in Finance & Accounts	Experience in International & Domestic Marketing	Vast Knowledge of Corporate matters
Qualification	M.S.E.E. (Purdue) USA, MBA (U.S.C., U.S.A)	Post Graduate in Economic (Hons)	B.Com & Diploma in Export	First Class First Graduate Double Gold Medalist – Spl. Economics
List of outside Director ships held (Public Limited Companies)	Nil	1. Capri Global Capital Limited 2. IDBI Federal Life Insurance Co. Limited 3. Saurashtra Cement Limited 4. Lloyds Metails and Energy Ltd 5. L&T Hydrocarbon Engineering Ltd 6. Tata AIG General Insurance Company Ltd 7. National Securities Clearing Corp. Ltd	1. ADF Food Ltd 2. ADF Food (India) Limited 3. Saurashtra Cement Limited	1. Saurashtra Cement Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	Audit Committee - Member	Nil	Audit Committee - Member	Audit Committee - Member
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he/ she is a Director				
a) Audit Committee	Nil	1. Capri Global Capital Ltd – Member 2. L&T Hydrocarbon Engineering Ltd – Member 3. Tata AIG General Insurance Pvt Ltd - Member	Nil	Nil
b) Shareholders Committee	Nil	Capri Global Capital Ltd – Member	1. ADF Foods Ltd - Member 2. Saurashtra Cement Limited _ Chairman	Nil
Shares held by the Directors in the Company	Nil	Nil	Nil	Nil

Annexure F

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT SIDHEE CEMENT LIMITED (CIN: L26940GJ1973PLC 002245)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, 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, 20l8 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 201l.

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015.

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period)

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/ or SEBI (Share Based Employees Benefits) Regulations, 2014.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)

g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

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

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance,compensation etc.
4. Environment Protection Act, I986 and other Environmental Laws;
5. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
6. Indian Contract Act, 1872;
7. Negotiable Instruments Act, 1881;
8. Acts relating to protection of IPR;
9. The Legal Metrology Act, 2009;
10. Other local laws as applicable to various plants and offices.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India.

b) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirement) Regulation, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that:

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

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

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

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

For **Ragini Chokshi & Co.**

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

Place: Mumbai
Date: 26-04-2018

Annexure G

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

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on Conservation of Energy.

1. Installed new Bag House in place of ESP in Coal Mill (reduced dust emission level from 150 mg/Nm3 to less than 30 mg/Nm3).
2. Successfully commissioned and Operation of Waste Heat Recovery power plant.

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

- Installation of AFR System for utilising of waste from other Industries as a Fuel.

c) The capital investment on energy conservation equipment:

- Procurement for SNCR System – ₹ 1.5 crore.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption :

1. As per annual Energy audit recommendations, installation of MV drive in Precalciner fan.
2. Installation of VFD with direct drive in both Cement mill ESP fan to reduce the power consumption.

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

1. Reduction in Specific Energy consumption.
2. Reduction of dust emission in Coal mill.

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

a) Details of technology absorbed

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

b) Year of Import;

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

c) Whether the technology been fully absorbed;

- Yes

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

- NA

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

- NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned.

	Current Year 2017-18 (₹ in lacs)	Previous Year 2016-17 (₹ in lacs)
Foreign Exchange earned	**Nil**	853.27
Foreign Exchange used	**7193.62**	6,261.53

Annexure H

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

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

Median remuneration of all the employees of the Company for the Financial Year 2017-2018	463741
Percentage increase in the median remuneration of employees in the Financial Year	1.95%
Number of permanent employees on the rolls of the Company as on 31st March 2018	409

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2017-2018
Executive Director		
Mr. Jay Mehta, Executive Vice Chairman	8:1	(*)
Mr. M. S. Gilotra, Managing Director	43:1	43.05% (#)
Other KMPs		
Mr. V. R. Mohnot, CFO & Company Secretary	30:1	4.55%

(a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April 2017 to 31st March 2018.

(*) No increase and the payment of remuneration was as per maximum permissible limits under the Companies Act, 2013 due to inadequacy of profits.

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

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

The average percentage increase in the remuneration of employees is around 3.85%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel is in line with the industry practice and is within the normal range.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Sidhee Cement Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **GUJARAT SIDHEE CEMENT LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Indian Accounting Standards 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 of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing, as 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

The remuneration of ₹ 163.44 lacs which was provided and paid to the Executive Vice Chairman ("EVC") during the financial year 2015-16 was in excess of the limit prescribed under Sections 197 and 198 read with Schedule V of the Companies Act, 2013, is still pending approval of the Central Government and the same is held by EVC in trust for the Company as at March 31, 2018.

Our opinion is not modified in respect of this matter.

Other Matter

The Comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India and audited by the predecessor auditor (vide their unmodified audit report on May 24, 2017 and May 27, 2016 respectively), as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion above on the Standalone Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder;

   e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 34 of the Standalone Ind AS Financial Statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B", a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 25, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1.f under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of **GUJARAT SIDHEE CEMENT LIMITED** ("the Company"), as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 25, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements for the year ended March 31, 2018

Report on the Companies (Auditors' Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of GUJARAT SIDHEE CEMENT LIMITED ("the Company")

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).

b. The PPE have been physically verified by the management according to a phased programme designed to cover all the PPE over a period of three years, which, in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, a material portion of the items of PPE have been verified by the management during the year, and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 2 to the Ind AS Financial Statements, are held in the name of the Company.

ii. Inventories other than stocks-in-transit have been physically verified by the management during the year. For stocks-in-transit at the year-end, the necessary documentary evidences for physical verification have been obtained. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, reporting requirements as per the provisions of Clause 3(iii) [(a) to (c)] of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or provided any security in connection with a loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3 (v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of cement manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with the appropriate authorities, except in few cases there were delays in payment of service tax, excise duty, customs duty and tax deduction at source. However, there are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable. As informed to us, the provisions of the Employees' State Insurance Act are not applicable to the Company.

b. According to the information and explanations given to us and on the basis of the books and records examined by us, as may be applicable, given herein below are the details of dues of Income-tax, Sales-tax, Service-tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Forum where the dispute is pending	Nature of Dues	Period to which amount relates	Amounts (₹ in lacs)
Customs Act, 1962	Customs, Excise and Service Tax Appellate Tribunal	Customs Duty	1995-96	35.85
	Customs, Excise and Service Tax Appellate Tribunal	Customs Duty and Penalty	2008-09	0.62(*0.62)
	Customs, Excise and Service Tax Appellate Tribunal	Customs Duty and Penalty	2012-13	420.59 (*42.62)

▲

Name of the Statute	Forum where the dispute is pending	Nature of Dues	Period to which amount relates	Amounts (₹ in lacs)
Central Excise Act, 1944	Customs, Excise and Service Tax Appellate Tribunal	Excise Duty	1992-93	36.72
	Commissioner, Central Excise	Excise Duty and Penalty	2010-11	464.57
	Customs, Excise and Service Tax Appellate Tribunal	Excise Duty and Penalty	2008-09 to 2013-14	1052.49(*44.68)
Central Excise / CENVAT Credit Rules, 2004	Customs, Excise and Service Tax Appellate Tribunal	Service Tax, Interest and Penalty	2007-08	6.32(*0.57)
	Customs, Excise and Service Tax Appellate Tribunal	Service Tax and Penalty	2012-13 and 2013-14	138.35(*5.37)
Rajasthan Sales Tax Act, 1994	Rajasthan High Court	Sales Tax and Penalty	1997-98	24.73
Gujarat Sales Tax Act, 1961	Joint Commissioner, Rajkot	Sales Tax and Penalty	2002-03 to 2004-05	121.21(*37.61)
Gujarat Value Added Tax Act, 2003	Tribunal, Gujarat Value Added Tax	Value Added Tax, Interest and Penalty	2006-07 and 2007-08	321.88(*54.23)

*indicates amount deposited or paid under protest.

viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan or borrowing from financial institutions or Government and has not issued any debenture during the year.

ix. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order in respect thereof is not applicable. Moneys raised by way of term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration during the financial year 2017-18 in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Further, the remuneration of ₹ 163.44 lacs which was provided and paid to the Executive Vice Chairman ("EVC") during the financial year 2015-16 was in excess of the limit prescribed under Sections 197 and 198 read with Schedule V of the Act, is still pending approval of the Central Government and the same is held by EVC in trust for the Company as at March 31, 2018.

xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 25, 2018

BALANCE SHEET AS AT MARCH 31, 2018

	Note	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	**41,577.45**	35,770.63	35,770.20
(b) Capital Work-in-progress	2	**573.15**	2,176.13	470.57
(c) Intangible Assets	2	**5.44**	16.03	46.72
(d) Financial Assets				
(i) Investments	3	**7,904.05**	7,903.76	7,855.10
(ii) Loans	4	**730.68**	859.90	874.62
(iii) Other Financial Assets	5	**772.55**	324.04	770.98
(e) Current Tax Assets (net)	6	**145.36**	191.92	288.25
(f) Other Non-current assets	7	**127.14**	748.05	163.89
Sub-total		**51,835.82**	47,990.46	46,240.33
Current Assets				
(a) Inventories	8	**4,590.66**	5,608.48	5,257.02
(b) Financial Assets				
(i) Trade Receivables	9	**1,193.50**	872.08	1,230.88
(ii) Cash and Cash Equivalents	10	**934.71**	331.68	516.95
(iii) Bank Balances other than (ii) above	11	**3,368.82**	3,373.80	2,834.76
(iv) Loans	12	**13.96**	15.65	16.82
(v) Other Financial Assets	13	**129.90**	187.42	137.09
(c) Other Current assets	14	**501.13**	618.72	849.70
Sub-total		**10,732.68**	11,007.83	10,843.22
Total Assets		**62,568.50**	58,998.29	57,083.55
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	**8,620.69**	8,620.69	8,620.69
(b) Other Equity	16	**29,384.80**	25,971.19	29,216.87
Sub-total		**38,005.49**	34,591.88	37,837.56
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	**3,259.15**	1,293.06	293.28
(b) Provisions	18	**1,069.55**	1,051.91	960.97
(c) Deferred Tax Liabilities (net)	19	**4,147.09**	4,439.94	4,605.19
Sub-total		**8,475.79**	6,784.91	5,859.44
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	**560.23**	1,447.70	1,485.82
(ii) Trade Payables	21	**7,150.82**	9,021.68	5,624.93
(iii) Other Financial Liablities	22	**2,703.66**	2,414.48	2,120.76
(b) Other Current Liabilities	23	**5,312.75**	4,573.26	4,013.99
(c) Provisions	24	**359.76**	164.38	141.05
Sub-total		**16,087.22**	17,621.50	13,386.55
Total Equity and Liabilities		**62,568.50**	58,998.29	57,083.55
Significant Accounting Policies	1			
The accompanying Notes are an integral part of the Financial Statements				

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note	**For the Year ended March 31, 2018 ₹ in lacs**	For the Year ended March 31, 2017 ₹ in lacs
Revenue from Operations	25	**55,455.99**	49,269.93
Other Income	26	**1,151.33**	1,159.24
Total Income		**56,607.32**	50,429.17
Expenses			
(a) Cost of Materials Consumed	27	**8,329.00**	9,563.17
(b) Changes in inventories of finished goods and work-in progress	28	**834.37**	1.96
(c) Excise duty Expenses		**1,821.27**	5,830.84
(d) Employee Benefits Expenses	29	**3,570.33**	3,419.13
(e) Finance Costs	30	**312.16**	302.47
(f) Depreciation and Amortisation Expense	2	**950.55**	938.90
(g) Other Expenses	31	**37,598.73**	33,737.91
Total Expenses		**53,416.41**	53,794.38
Profit/(Loss) before Tax		**3,190.91**	(3,365.21)
Tax Expense			
(a) Current Tax	33	**162.40**	-
(b) Deferred Tax	33	**(297.72)**	(151.09)
Total Tax Expense		**(135.32)**	(151.09)
Profilt/(Loss) for the year		**3,326.23**	(3,214.12)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of Defined Benefit Plans		**13.78**	(45.68)
(b) Effect of measuring Equity Instruments on Fair Value		**0.05**	-
(c) Income Tax on (a) and (b)		**(4.82)**	14.12
Total Other Comprehensive Income for the year		**9.01**	(31.56)
Total Comprehensive Income for the year		**3,335.24**	(3,245.68)
Earnings per Equity Share of ₹ 10 par value :			
Basic (₹ per share)	43	**3.86**	(3.73)
Diluted (₹ per share)	43	**3.86**	(3.73)
Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Financial Statements			

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		For the Year ended March 31, 2018 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) Before Tax	**3,190.91**	(3,365.21)
	Adjustments for		
	Depreciation and Amortisation	**950.55**	938.90
	Finance Cost	**312.16**	302.47
	Interest Income	**(327.97)**	(890.99)
	Loss on sale of Property, Plant & Equipment	**-**	5.75
	Profit on sale of Property, Plant & Equipment	**(8.56)**	-
	Loss on conversion of Optionally Convertible Debentures	**-**	493.76
	Expenses on Employee Stock Option Scheme	**78.37**	-
	Bad Debts written off	**7.22**	7.06
	Provision for Doubtful debt and advances	**-**	6.36
	Provision no longer required written back	**(565.22)**	(131.11)
	Sundry credit balances written back	**(16.72)**	-
	Provision for doubtful debts and advances written back	**(25.16)**	(7.52)
	Operating Profit Before Working Capital Changes	**3,595.58**	(2,640.53)
	Adjustments for increase / decrease in:		
	Trade receivables	**(303.48)**	352.90
	Loans and Advances and Other current assets	**242.75**	246.04
	Inventories	**1,017.82**	(351.46)
	Trade payable, Other Financial & Current Liabilities	**(1,032.05)**	4,304.97
	Provisions	**120.49**	68.59
	Cash generated from operations	**3,641.11**	1,980.51
	Income-tax (paid) / refund (net)	**(9.53)**	96.33
	Net cash flow from operating activities	**3,631.58**	2,076.84
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of PPE, intangible assets and work in progress	**(4,579.35)**	(3,254.35)
	Investment in Shares	**(0.24)**	-
	Sale of Property, Plant and Equipment	**70.82**	47.60
	Net cash flow (used in) investing activities	**(4,508.77)**	(3,206.75)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	**2,783.57**	1,108.34
Repayment of Long-term Borrowings	**(109.75)**	(97.11)
Repayment of Short-term Borrowings (net)	**(887.47)**	(38.12)
Deposits held as margin money (net)	**(443.53)**	(92.10)
Finance Cost Paid	**(248.08)**	(238.02)
Interest Income Received	**385.49**	301.66
Dividend Paid	**(0.01)**	(0.01)
Net cash flow from financing activities	**1,480.22**	944.64
Net increase / (decrease) in cash and cash equivalents	**603.03**	(185.27)
Cash and cash equivalents as at the beginning of the year	**331.68**	516.95
Cash and cash equivalents as at the end of the year (Refer Note 10)	**934.71**	331.68

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. Figures in bracket indicate Cash Outflow.

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 25, 2018

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 25, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

(₹ in lacs)

Balance as at April 1, 2016	Changes in Equity Share Capital during the year 2016-17	Balance as at March 31, 2017	**Changes in Equity Share Capital during the year 2017-18**	**Balance as at March 31, 2018**
8,620.69	-	8,620.69	**-**	**8,620.69**

B. Other Equity

(₹ in lacs)

Particulars	**Reserves and Surplus**			**Equity Instruments through Other Comprehensive Income**	**Total**
	Capital Reserve	**Share Options Outstanding**	**Retained Earnings**		
Balance as at April 1, 2016	6,948.63	-	22,268.24	-	29,216.87
Profit / (Loss) for the year	-	-	(3,214.12)	-	(3,214.12)
Remeasurement gain / (loss) on Defined Benefit Plan	-	-	(31.56)	-	(31.56)
Total Comprehensive Income for the year	-	-	(3,245.68)	-	(3,245.68)
Balance as at March 31, 2017	6,948.63	-	19,022.56	-	25,971.19
Profit / (Loss) for the year	**-**	**-**	**3,326.23**	**-**	**3,326.23**
Effect of measuring equity instruments at fair value	**-**	**-**	**-**	**0.05**	**0.05**
Remeasurement gain / (loss) on Defined Benefit Plan	**-**	**-**	**8.96**	**-**	**8.96**
Total Comprehensive Income for the year	**-**	**-**	**3,335.19**	**0.05**	**3,335.24**
Employee Stock Options Granted during the year	**-**	**78.37**	**-**	**-**	**78.37**
Balance as at March 31, 2018	**6,948.63**	**78.37**	**22,357.75**	**0.05**	**29,384.80**

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 25, 2018

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 25, 2018

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information and Significant Accounting Policies

A Corporate Information

Gujarat Sidhee Cement Limited ("the Company") is engaged in the business of manufacturing and selling of Cement and Clinker.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Sidheegram, Gujarat, India. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors on May 25, 2018.

B Significant Accounting Policies

1.1 Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind ASs) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

For all periods upto and including for the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures as at March 31, 2017, as at April 1, 2016 and for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

These financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The Company has adopted all the Ind ASs and the adoption was carried out in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards", the date of transition to Ind AS being April 1, 2016. Refer Note 42 for disclosures required by Ind AS 101.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities:

i. Certain financial assets and liabilities that are measured at fair value.

ii. Employee's Defined Benefit Plan measured as per independent actuarial valuation.

iii. Share-based payments that are measured at fair value.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lacs (INR '00,000) upto two decimals, except when otherwise indicated.

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

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-current classification.

An asset is classified as Current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

A liability is classified as Current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

1.2 Property, Plant and Equipment (PPE)

An item of PPE is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and / or accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy on borrowing costs.

If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.

Items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment" and are material.

Freehold land is carried at cost.

Mobile Phones costing less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

Capital Work-in-progress

Items of PPE which are not ready for intended use on the date of Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

1.3 Depreciation / Amortisation

Depreciation on Property, Plant and Equipment (other than Freehold / Leasehold Land and Capital Work-in-progress) is commenced when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation is provided on the Straight-Line Method as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

Cost of Leasehold Land is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

Items of PPE costing up to ₹ 5,000/- are fully depreciated in the year of purchase / capitalisation.

Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and the date, the asset is derecognised.

1.4 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis as per Schedule II to the Companies Act, 2013. Intangible assets being computer software are amortised over a period of three years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

1.5 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated

NOTES FORMING PART OF FINANCIAL STATEMENTS

and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash- generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are valued as follows:

Raw materials, Packing materials, Fuels and Stores and spare parts - At cost or net realisable value, whichever is lower, derived on moving weighted average basis.

Work-in-progress (WIP), Finished goods and Stock-in-trade - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

1.7 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit / (loss) for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

1.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Contingent assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

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

1.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the buyer, which is on dispatch of goods to buyer. Sales include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates, rate differences, discounts, etc.

Export Sales are accounted on the basis of bills of lading / mate's receipt dates.

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.

Insurance Claim

Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividends

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

1.11 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets acquired under finance leases are recognised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating Leases:

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight-line basis over the term of the relevant lease.

1.12 Employee share based payments

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share, unless it is anti-dilutive.

1.13 Employee benefits

i. Short-term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ii. Long-term employee benefits

a. Defined Contribution Plan:

Provident and Family Pension Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to Regional Provident Fund Commissioner, Rajkot, Gujarat. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

Superannuation Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of Superannuation fund, in which the Company makes annual contribution at a specified percentage of the employee's eligible salary (currently 15%) subject to maximum of ₹ 1.50 lacs. The contributions are made to Life Insurance Corporation of India. Superannuation Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

b. Defined Benefit Plan:

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The Company pays these benefits as and when due based on its own liquidity.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI). Remeasurement is not reclassified to Statement of Profit and Loss in subsequent periods. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Compensated absences:

The Company provides for encashment of absence or absence with pay subject to certain rules. The employees are entitled to accumulate absences subject to certain limits for future encashment / availment. The liability is recognised based on number of days of unutilised leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise.

1.14 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.15 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the reporting period.

1.16 Foreign Currency Transactions

Transactions in foreign currencies (Monetary or Non-monetary items) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences

NOTES FORMING PART OF FINANCIAL STATEMENTS

arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the Statement of Profit and Loss for the period in which they arise.

1.17 Financial Instruments

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and transaction costs, other premiums or discounts, paid or received that form an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade Receivables, in view of the Company's credit policy and past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based on specific identification. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

Derecognition of financial assets:

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

Financial liabilities and equity instruments:

- **Classification as debt or equity:**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

  Equity instruments issued by a Company are recognised at the proceeds received.

Derecognition of financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.18 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgements:

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised based upon the likely timing and the level of future taxable profits. Also refer Note 33.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Property, Plant and Equipment/Intangible Assets:

Property, Plant and Equipment/Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer Note 36.

Fair Value measurements of Financial Instruments:

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

Recoverability of Trade Receivables:

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

Provisions:

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

Share-based payments:

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

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

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

1.19 First-time Adoption of Ind AS

Overall Principle

The Company has prepared the Opening Balance Sheet as per Ind AS as at April 1, 2016 (the date of transition) by recognising all assets and liabilities whose recognition is required by Ind ASs, not recognising items of assets or liabilities which are not permitted by Ind ASs, by reclassifying items from previous GAAP to Ind AS as required under Ind ASs, and applying Ind ASs in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed or not so availed by the Company. Details of exemptions availed are as under:

i. Business Combination:

The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the date of transition and therefore, has kept the same classification for the past business combinations as in its previous GAAP financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

ii. Property, Plant and Equipment and Other intangible assets:

The Company has not elected the exemption to adopt previous GAAP carrying value, as its deemed cost, of all its PPE and Other Intangible Assets recognised as at the date of transition. Consequently, cost in respect of PPE (other than freehold land) and Other Intangible Assets has been retrospectively remeasured in accordance with Ind AS.

In respect of freehold land, the Company has elected the exemption to measure it at its fair value at the date of transition and use that fair value as its deemed cost at that date.

iii. Investments:

The Company has elected to carry its investment in subsidiaries and associate at deemed cost, which is its previous GAAP carrying amount at the date of transition.

The Company has designated investment in equity shares (other than subsidiaries and associate) held at the date of transition as fair value through OCI.

1.20 Ind AS issued but not effective

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind ASs:

Ind AS 21: The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) – Under this approach, the standard is applied only to contracts that are not completed contracts on that date. Cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land										
Freehold	26,040.15	-	-	26,040.15	-	-	-	-	26,040.15	26,040.15
Leasehold	288.39	16.00	-	304.39	52.40	5.17	-	57.57	246.82	235.99
Buildings	3,776.53	895.53	-	4,672.06	2,391.46	80.84	-	2,472.30	2,199.76	1,385.07
Plant and Equipment	20,332.93	5,747.64	-	26,080.57	13,928.77	448.71	-	14,377.48	11,703.09	6,404.16
Furniture and Fixtures	1,271.50	41.84	97.42	1,215.92	831.18	100.63	96.82	834.99	380.93	440.32
Vehicles	1,957.55	77.44	269.85	1,765.14	906.35	223.96	212.94	917.37	847.77	1,051.20
Computers	430.25	8.54	46.42	392.37	393.93	17.26	45.57	365.62	26.75	36.32
Office Equipment	808.76	17.82	138.48	688.10	631.34	59.16	134.58	555.92	132.18	177.42
Total	54,906.06	6,804.81	552.17	61,158.70	19,135.43	935.73	489.91	19,581.25	41,577.45	35,770.63

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Capital Work-in-progress	2,176.13	4,522.59	6,125.57	573.15	-	-	-	-	573.15	2,176.13

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	102.63	4.23	-	106.86	91.52	9.90	-	101.42	5.44	11.11
Membership Fees	78.97	-	-	78.97	74.05	4.92	-	78.97	-	4.92
Total	181.60	4.23	-	185.83	165.57	14.82	-	180.39	5.44	16.03

Notes :

(a) Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

(b) Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Land										
Freehold [Refer (a) below]	25,981.31	58.84	-	26,040.15	-	-	-	-	26,040.15	25,981.31
Leasehold	115.06	173.33	-	288.39	51.16	1.24	-	52.40	235.99	63.90
Buildings	3,775.14	1.39	-	3,776.53	2,313.23	78.23	-	2,391.46	1,385.07	1,461.91
Plant and Equipment	19,728.15	604.78	-	20,332.93	13,558.54	370.23	-	13,928.77	6,404.16	6,169.61
Furniture and Fixtures	1,238.81	35.59	2.90	1,271.50	716.96	116.90	2.68	831.18	440.32	521.85
Vehicles	2,038.35	54.36	135.16	1,957.55	741.21	247.17	82.03	906.35	1,051.20	1,297.14
Computers	421.76	8.49	-	430.25	372.83	21.10	-	393.93	36.32	48.93
Office Equipment	785.99	22.77	-	808.76	560.44	70.90	-	631.34	177.42	225.55
Total	54,084.57	959.55	138.06	54,906.06	18,314.37	905.78	84.71	19,135.43	35,770.63	35,770.20

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Capital Work-in-progress	470.57	1,722.43	16.87	2,176.13	-	-	-	-	2,176.13	470.57

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Computer Software	100.20	2.43	-	102.63	77.03	14.49	-	91.52	11.11	23.17
Membership Fees	78.97	-	-	78.97	55.42	18.63	-	74.05	4.92	23.55
Total	179.17	2.43	-	181.60	132.45	33.12	-	165.57	16.03	46.72

Notes :

(a) The Company has considered fair value as deemed cost for its land located at Sidheegram, Dist. - Gir Somnath, Gujarat - 362 276 in accordance with para D5 of Ind AS 101. The impact of net increase in freehold land of ₹ 25,841.88 lacs, after considering Deferred Tax Liability of ₹ 5,827.75 lacs thereon, is reflected in Retained Earnings.

(b) Leasehold land is acquired for mining purpose. The land cannot be sold without permission of the Collector.

(c) Two residential flats in Mumbai have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
3 Investments : Non-current			
Investments measured at Cost			
In Equity Instruments of Subsidiary			
Unquoted			
4,17,50,177 (As at March 31, 2017 : 4,17,50,177 and as at April 1, 2016 : 43,17,022) Equity Shares of Villa Trading Company Private Limited of ₹ 10 each	**7,432.78**	7,432.78	432.78
In Debentures of Subsidiary - Equity portion			
Unquoted			
Nil (As at March 31, 2017 : Nil and as at April 1, 2016 : 70,00,000) Optionally Convertible Debentures of Villa Trading Company Private Limited of ₹ 100 each	**467.03**	467.03	467.03
In Equity Instruments of Associate			
Quoted			
100 Equity Shares of Saurashtra Cement Limited of ₹ 10 each *	**-**	0.02	0.02
Investments measured at Amortised cost			
In Debentures of Subsidiary - Debt portion			
Unquoted			
Nil (As at March 31, 2017 : Nil and as at April 1, 2016 : 70,00,000) Optionally Convertible Debentures of Villa Trading Company Private Limited of ₹ 100 each	**-**	-	6,954.83
In Government Securities			
Unquoted			
6 Years National Savings Certificates	**0.14**	0.14	0.14
(Kept as security deposit with Government authorities)			
Investments measured at Fair Value through Other Comprehensive Income			
In Equity Instruments of Others			
Quoted			
100 Equity Shares of Saurashtra Cement Limited of ₹ 10 each *	**0.07**	-	-
Unquoted			
21,20,000 (As at March 31, 2017 : 20,91,000 and as at April 1, 2016 : 1,59,000) Equity Shares of OPGS Power Gujarat Pvt. Ltd. of ₹ 0.10 each	**4.03**	3.79	0.30
	7,904.05	7,903.76	7,855.10
Aggregate amount of			
Quoted Investments	**0.07**	0.02	0.02
Unquoted Investments	**7,903.98**	7,903.74	7,855.08
Impairment in value of Investments	**-**	-	-
	7,904.05	7,903.76	7,855.10
Aggregate Market Value of Quoted Investments	**0.07**	0.06	0.06

* Investment in Equity Shares of Saurashtra Cement Limited ceases to be an associate w.e.f. October 05, 2017. Therefore, it is valued at cost upto March 31, 2017 and at FVTOCI as at March 31, 2018.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
4	**Loans : Non-current**			
	Unsecured			
	Considered Good			
	Security Deposits	**718.11**	837.26	844.49
	Staff Loans	**12.57**	22.64	30.13
		730.68	859.90	874.62
	Considered Doubtful			
	Other Loans and advances	**323.92**	323.92	323.92
		1,054.60	1,183.82	1,198.54
	Less : Provision for Doubtful Advance	**323.92**	323.92	323.92
		730.68	859.90	874.62

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
5	**Other Financial Assets : Non-current**			
	Fixed Deposits with Bank maturing after 12 months			
	Held as Margin money	**63.66**	71.64	150.20
	Held as Security against Overdraft facilities (Refer Note 20)	**706.49**	250.00	620.78
	Others	**2.40**	2.40	-
		772.55	324.04	770.98

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
6	**Current Tax Assets (net) : Non-current**			
	Taxes paid (Net of Provision of ₹ Nil, as at March 31, 2017 : ₹ Nil, as at April 1, 2016 : ₹ 5.24 lacs)	**145.36**	191.92	288.25
		145.36	191.92	288.25

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
7	**Other Non-current assets**			
	Capital Advances	**31.70**	658.36	71.54
	Advances other than Capital Advances			
	Pre-deposit with Government Authorities against Appeals	**95.44**	89.69	86.84
	VAT Receivable	**-**	-	5.51
		127.14	748.05	163.89

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
8	**Inventories**			
	Raw Materials	**223.46**	489.61	323.54
	Raw Materials-in-transit	**30.93**	360.74	6.30
	Packing Materials	**92.25**	89.45	59.55
	Work-in-progress	**1,719.74**	2,492.45	1,918.26
	Finished goods	**155.21**	216.87	793.02
	Stores and Spares	**1,011.98**	1,049.48	1,244.67
	Stores and Spares-in-transit	**2.37**	58.56	20.77
	Fuel	**502.80**	87.47	229.89
	Fuel-in-transit	**851.92**	763.85	661.02
		4,590.66	5,608.48	5,257.02

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

The cost of inventories recognised as an expense includes ₹ Nil (Previous year : ₹ 13.58 lacs) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous year.

For mode of valuation of inventories : Refer Note 1.6

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
9	**Trade Receivables**			
	Unsecured			
	Considered Good			
	Amount Receivable from a Related Party [(Refer Note 38.2(B)(iii)]	**43.39**	-	23.25
	Others	**1,150.11**	872.08	1,207.63
		1,193.50	872.08	1,230.88
	Considered Doubtful	**23.07**	48.23	50.60
		1,216.57	920.31	1,281.48
	Less : Provision for Doubtful Debts	**23.07**	48.23	50.60
		1,193.50	872.08	1,230.88

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
10	**Cash and Cash Equivalents**			
	Balances with Banks in Current Accounts	**934.71**	331.68	515.89
	Cash on Hand	**-**	-	1.06
		934.71	331.68	516.95

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

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017. The adoption of the amendment did not have any material impact on the financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lacs

For the year ended March 31, 2018	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
Short-term Borrowings	**1,447.70**	**(887.47)**	**-**	**560.23**
Long-term Borrowings (including Current maturities)	**1,395.76**	**2,673.82**	**-**	**4,069.58**
Unpaid Dividend	**14.34**	**(0.01)**	**-**	**14.33**
Deposits held as margin money	**3,697.84**	**(443.53)**	**-**	**4,141.37**

Note : Figures in bracket indicates cash outflows.

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
11	**Bank Balances other than Cash and Cash Equivalents**			
	Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)			
	Held as Margin money	**499.06**	694.95	84.40
	Held as Security against Overdraft facilities (Refer Note 20)	**2,848.36**	2,664.32	2,235.82
	Others	**6.88**	-	500.00
		3,354.30	3,359.27	2,820.22
	Earmarked Balances			
	For Unpaid Equity Dividend	**14.33**	14.34	14.35
	For Money received on sale of fractional shares	**0.19**	0.19	0.19
		14.52	14.53	14.54
		3,368.82	3,373.80	2,834.76

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
12	**Loans : Current**			
	Unsecured			
	Considered Good			
	Staff Loans	**13.96**	15.65	16.82
		13.96	15.65	16.82

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
13	**Other Financial Assets : Current**			
	Interest Accrued on Fixed Deposits	**129.90**	187.42	137.09
		129.90	187.42	137.09

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
14 Other Current assets			
Unsecured			
Considered Good			
Advance against purchase of Stores and Spares	**153.17**	111.93	113.16
Advance against purchase of Shares	**-**	-	3.49
Advance Royalty on Limestone / Marl	**181.31**	119.48	145.85
Balances with Statutory / Government Authorities	**33.04**	277.85	206.16
Prepaid Expenses	**79.58**	39.33	69.86
Others (Refer Note 14.1)	**54.03**	70.13	311.18
	501.13	618.72	849.70
Considered Doubtful			
Advance against purchase of Stores and Spares	**4.24**	5.61	4.40
	505.37	624.33	854.10
Less : Provision for Doubtful Advance	**4.24**	5.61	4.40
	501.13	618.72	849.70

14.1 Others, as at April 1, 2016, includes sum of ₹ 120.80 lacs recoverable from Executive Vice Chairman being excess remuneration for the year 2013-14 in terms of approval of Central Government.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
15 Equity Share Capital			
a. Authorised :			
50,00,00,000 Equity Shares of ₹ 10 each	**50,000.00**	50,000.00	50,000.00
b. Issued :			
14,48,16,075 Equity Shares of ₹ 10 each	**14,481.61**	14,481.61	14,481.61
c. Subscribed :			
8,62,06,932 Equity Shares of ₹ 10 each	**8,620.69**	8,620.69	8,620.69
d. Paid up :			
8,61,53,852 Equity Shares of ₹ 10 each, fully paid up	**8,615.39**	8,615.39	8,615.39
Add : Forfeited Shares	**5.30**	5.30	5.30
Total Share Capital	**8,620.69**	8,620.69	8,620.69

e. Rights, preferences and restrictions :

i. The Company has only one class of Equity Shares referred to as Equity Shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.

ii. The Company declares and pays dividend in Indian rupees. Final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the ensuing Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.

iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

iv. In respect of Share based payments (ESOP) granted to the employees during the year - refer Note 40.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**₹ in lacs**	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
f. Shares held by Holding Company :						
Bhadra Textiles and Trading Private Limited	**48,800,000**	**4,880.00**	48,800,000	4,880.00	48,800,000	4,880.00

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

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**% of share-holding**	No. of Shares	% of share-holding	No. of Shares	% of share-holding
S. No. Name of the Shareholder						
i. Bhadra Textiles and Trading Private Limited	**48,800,000**	**56.64**	48,800,000	56.64	48,800,000	56.64
ii. GIIC Limited	**8,252,697**	**9.58**	8,252,697	9.58	8,252,697	9.58

h. Reconciliation of No. of Equity shares and Paid up Equity Share Capital :

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**₹ in lacs**	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39		
Add : Changes during the year	**-**	**-**	-	-		
Balance as at the end of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39	86,153,852	8,615.39

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
16 Other Equity			
i. Reserves and Surplus			
a. Capital Reserve			
Govt. Subsidy	**26.95**	26.95	26.95
Capital Reduction Account	**6,921.68**	6,921.68	6,921.68
	6,948.63	6,948.63	6,948.63
b. Share Options Outstanding			
Balance as at the beginning of the year	**-**	-	
Add : Employee Stock Options Granted	**78.37**	-	
Less : Employee Stock Options Exercised	**-**	-	
	78.37	-	-
c. Retained Earnings			
Balance as at the beginning of the year	**19,022.56**	22,268.24	
Add/(Less) : Profit / (Loss) for the year	**3,326.23**	(3,214.12)	
Add/(Less) : Remeasurement gain / (loss) on defined benefit plan	**8.96**	(31.56)	
	22,357.75	19,022.56	22,268.24
ii. Equity Instruments through Other Comprehensive Income			
Balance as at the beginning of the year	**-**	-	
Add/(Less) : Movement during the year	**0.05**	-	
	0.05	-	-
	29,384.80	25,971.19	29,216.87

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

a. Capital Reserve

It represent gains of capital nature. Capital reserve is mainly on account of reduction of paid up capital in earlier year in pursuance of Hon'ble BIFR order. It also consists of Govt. Subsidy received in earlier years.

b. Share Options Outstanding

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

c. Retained Earnings

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

d. Equity Instruments through Other Comprehensive Income

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

	Non-current			Current maturities of Long-term borrowings*		
	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
17 Borrowings : Non-current						
Secured						
Term Loans						
From Bank	**3,240.89**	1,266.87	259.86	**802.50**	95.48	72.26
From Other Parties	**18.26**	26.19	33.42	**7.93**	7.22	19.00
	3,259.15	1,293.06	293.28	**810.43**	102.70	91.26

* Amounts disclosed under the head 'Other Financial Liabilities : Current' (Note 22).

17.1 Security and Repayment Terms :

i. Term Loan from HDFC Bank Limited is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Company. This is further secured by personal guarantee of one of the Promoter Directors, Corporate guarantee of wholly owned subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by wholly owned subsidiary Company. The Term Loan is repayable in 22 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

ii. 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 8% to 10% p.a.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
18 Provisions : Non-current			
For Employee Benefits (Refer Note 36)			
Gratuity	**782.33**	765.99	707.83
Compensated absences	**287.22**	285.92	253.14
	1,069.55	1,051.91	960.97

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
19 Deferred Tax Liabilities (net)			
Tax effect of items constituting Deferred Tax Assets (Refer Note 33)	**3,690.19**	2,993.26	2,644.06
Tax effect of items constituting Deferred Tax Liabilities (Refer Note 33)	**7,837.28**	7,433.20	7,249.25
Deferred Tax Liability (net)	**4,147.09**	4,439.94	4,605.19

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
20 Borrowings : Current			
Secured			
Loans repayable on demand from Banks			
Overdraft	**560.23**	1,447.70	1,485.82
	560.23	1,447.70	1,485.82

The overdraft from bank is secured against lien of FDRs of ₹ 3,554.85 lacs (As at March 31, 2017 : ₹ 2,914.32 lacs, as at April 1, 2016 : ₹ 2,856.60) - refer Notes 5 and 11.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
21 Trade Payables			
Due to Related Party [Refer Note 38.2(B)(iii)]	**-**	136.80	-
Due to Micro and Small enterprises	**40.49**	117.07	1.86
Due to others	**7,110.33**	8,767.81	5,623.07
	7,150.82	9,021.68	5,624.93
Additional disclosure in respect of dues to Micro, Small and Medium enterprises :			
i. Principal amount remaining unpaid and interest thereon	**40.49**	121.48	1.86
ii. Interest paid in terms of Section 16	**-**	-	-
iii. Interest due and payable for the period of delay in payment	**-**	4.41	-
iv. Interest accrued and remaining unpaid	**-**	4.41	-
v. Interest due and payable even in succeeding years	**-**	-	-

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

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
22 Other Financial Liabilities : Current			
Current maturities of Long-term borrowings *			
Term Loans			
From Banks	**802.50**	95.48	72.26
From Others	**7.93**	7.22	19.00
Unpaid Dividend	**14.33**	14.34	14.35
Unclaimed money against sale of fractional shares	**0.19**	0.19	0.19
Security Deposits from Customers / Transporters	**636.35**	540.32	569.16
Security Deposits - Others	**8.45**	4.98	4.98
Remuneration Payable to Key Managerial Personnel [Refer Note 38.2(B)(ii)(a&b)]	**60.06**	248.74	17.13
Liabilities for expenses at the year-end	**1,112.03**	1,445.27	1,354.74
Others	**61.82**	57.94	68.95
	2,703.66	2,414.48	2,120.76

* Refer Note 17.1 for security given.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
23	**Other Current Liabilities**			
	Advance from Customers	**2,480.13**	1,718.47	1,222.03
	Statutory Dues	**2,832.62**	2,854.79	2,791.96
		5,312.75	4,573.26	4,013.99

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
24	**Provisions : Current**			
	For Employee Benefits (Refer Note 36)			
	Gratuity	**150.75**	83.20	68.70
	Compensated absences	**102.70**	81.18	72.35
	Others			
	Provision for Taxation	**162.40**	-	-
	Less : Taxes Paid	**56.09**	-	-
		106.31	-	-
		359.76	164.38	141.05

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
25	**Revenue from Operations**		
	Sale of Products		
	Cement	**50,013.30**	47,359.16
	Clinker	**5,387.79**	1,814.76
	Other Operating Revenues		
	Scrap Sales	**54.23**	87.49
	Railway claim	**0.67**	-
	Export Entitlement	**-**	8.52
		55,455.99	49,269.93

25.1 The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity. Consequently, sales for the year ended March 31, 2018 are presented net of GST. Sales for the year ended March 31, 2017 includes excise duty which now is subsumed in GST. Sales for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, sales for the year ended March 31, 2018 and March 31, 2017 are not comparable.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
26 Other Income		
Interest Income on		
Fixed Deposits with Banks	**281.15**	290.96
Financial Assets measured at amortised cost	**3.58**	543.62
Others	**43.24**	56.41
	327.97	890.99
Insurance claim	**37.45**	11.48
Profit on Sale of Property, Plant and Equipment	**8.56**	-
Provision no longer required written back (Refer Note 26.1)	**565.22**	131.11
Provision for Doubtful Debts written back	**25.16**	7.52
Sundry credit balances written back	**16.72**	-
Exchange Rate Fluctuation	**76.34**	96.87
Sales Tax refund	**-**	1.02
Miscellaneous Income	**93.91**	20.25
	1,151.33	1,159.24

26.1 The Hon'ble Supreme Court vide its order dated October 13, 2017, has held applicability of District Mineral Fund (DMF) under Mines and Mineral (Development and Regulations) Amendment Act, 2015 with effect from September 17, 2015. Accordingly, the Company has written back the provision for contribution to DMF of ₹ 261.01 lacs relating to the period before September 17, 2015, in the year ended March 31, 2018.
Further, it includes reversal of remuneration of ₹ 232.53 lacs to Executive Vice Chairman provided in Financial Year 2016-17 as it is no longer payable due to inadequacy of profit.

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
27 Cost of Materials Consumed		
Raw Materials		
Opening Stock	**850.35**	329.84
Add: Purchases	**2922.65**	6200.07
Less: Closing Stock	**254.39**	850.35
	3,518.61	5,679.56
Royalty, Cess and Limestone raising cost		
Limestone raising and Transportation	**1,618.31**	1,064.65
Royalty	**1,218.67**	842.37
Welfare cess	**-**	1.16
District Mineral Fund (DMF) and others	**389.97**	284.76
	3,226.95	2,192.94
Packing Materials		
Opening Stock	**89.45**	59.55
Add : Purchases	**1,586.24**	1,780.12
Less : Closing Stock	**92.25**	89.45
	1,583.44	1,690.67
	8,329.00	9,563.17

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
28	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished Goods	**216.87**	793.02
	Work-in-progress	**2,492.45**	1,918.26
	Closing Stock		
	Finished Goods	**155.21**	216.87
	Work-in-progress	**1,719.74**	2,492.45
		834.37	1.96

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
29	**Employee Benefits Expenses**		
	Salaries and Wages	**3,052.61**	3,032.41
	Share based payments to employees (Refer Note 40)	**78.37**	-
	Contribution to provident and other funds	**205.13**	208.23
	Gratuity Expense	**140.18**	97.02
	Staff Welfare Expenses	**94.04**	81.47
		3,570.33	3,419.13

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
30	**Finance Costs**		
	Interest Expense		
	On Borrowings	**186.98**	128.92
	On Duties and Taxes	**64.92**	64.55
	On Others	**60.06**	108.82
	Other Borrowing Costs	**0.20**	0.18
		312.16	302.47

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
31 Other Expenses		
Power and Fuel	**20,566.10**	18,606.68
Consumption of Stores and Spares	**1,644.45**	2,066.35
Repair and Maintenance		
Buildings	**87.94**	123.08
Machinery	**818.33**	841.92
Others	**348.88**	540.98
	1,255.15	1,505.98
Cement Packing Expenses	**447.12**	446.00
Insurance	**90.24**	82.66
Rent	**185.39**	192.95
Rates and Taxes	**35.72**	36.93
Travelling and Conveyance Expenses	**105.81**	204.85
Legal and Professional Charges	**190.43**	181.66
Freight Outward	**10,247.39**	6,982.70
Commission	**1,065.20**	1,118.44
Advertisement and Sales Promotion Expenses	**870.76**	953.43
Payments to the Auditors		
For Statutory Audit	**12.00**	8.25
For Tax Audit	**2.00**	2.02
For Other services	**3.92**	4.62
For Reimbursement of expenses	**2.37**	3.56
	20.29	18.45
Directors' Sitting Fees	**33.50**	22.60
Loss on conversion of Optionally Convertible Debentures	**-**	493.76
Loss on Sale / Discard of Property, Plant and Equipment	**-**	5.75
Bad Debts written off	**7.22**	7.06
Provision for Doubtful Debt and Advances	**-**	6.36
Miscellaneous Expenses	**833.96**	805.30
	37,598.73	33,737.91

32 Since the average net profit of the Company for preceding three financial years is negative, the amount to be spent on Corporate Social Responsibility (CSR) activities under the Companies Act, 2013 has been Nil.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
33 Disclosure pursuant to Ind AS 12 on "Income Taxes"		
33.1 Components of Tax expenses / (income)		
a. Profit or Loss section		
i. Current Income Tax		
In respect of current year	**162.40**	-
Total current income tax	**162.40**	-
ii. Deferred Tax		
In respect of current year origination and reversal of temporary difference	**(135.32)**	(151.09)
In respect of earlier years	**-**	-
MAT credit entitlement	**(162.40)**	-
Total Deferred Tax	**(297.72)**	(151.09)
Income Tax expense / (income) reported in the Profit or Loss section	**(135.32)**	(151.09)
b. Other Comprehensive Income section		
Net loss / (gain) on Remeasurements of Defined Benefit Plans	**4.82**	(14.12)
Income Tax expense / (income) reported in Other Comprehensive Income section	**4.82**	(14.12)
33.2 Reconciliation of Income Tax expense / (income) and Accounting Profit multiplied by domestic tax rate applicable in India		
Profit / (loss) before tax	**3,190.91**	(3,365.21)
Applicable Tax Rate	**20.389%**	19.055%
Tax on Accounting Profit *	**650.59**	-
Tax effect of :		
Deductible items	**(5.41)**	-
Brought forward unabsorbed depreciation	**(496.79)**	-
Others	**14.01**	-
Current Tax Provision (A)	**162.40**	-
Deferred Tax Liability recognised	**404.08**	183.95
Deferred Tax Asset recognised	**(539.40)**	(335.04)
MAT Credit entitlement	**(162.40)**	-
Deferred Tax (B)	**(297.72)**	(151.09)
Tax expense / (income) recognised in Statement of Profit and Loss (A+B)	**(135.32)**	(151.09)
Effective Tax Rate	**-4.24%**	4.49%

* In view of loss, Tax on Accounting Profit is Nil for the year ended March 31, 2017.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
33.3 Components of Deferred Tax			
a. Deferred Tax Assets :			
Fair Valuation of Financial Assets	**-**	-	9.31
Accrued Expenses deductible on cash basis	**642.98**	637.74	503.20
Provision for Doubtful Debts and Advances	**122.73**	116.73	118.62
Unused tax losses (Refer Note 33.4)			
Business Loss	**401.93**	-	-
Unabsorbed Depreciation	**1,047.92**	926.56	700.70
Unused tax credit - MAT Credit Entitlement (Refer Note 33.4)	**1,474.63**	1,312.23	1,312.23
	3,690.19	2,993.26	2,644.06
b. Deferred Tax Liabilities :			
Fair Valuation of Financial Assets	**108.80**	102.94	-
Property, Plant and Equipment and Intangible Assets	**7,728.48**	7,330.26	7,249.25
	7,837.28	7,433.20	7,249.25
Deferred Tax Liability (net)	**4,147.09**	4,439.94	4,605.19

33.4 The Company has recognised Deferred Tax Asset on carry forward of unused tax losses and unused tax credit as the Management expects that there will be sufficient taxable income in view of improved demand for Cement and installation of Waste Heat Recovery Power Plant which will result into saving in cost of power. Consequently, the unused tax losses and unused tax credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in forseeable future.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
34 Contingent liabilities			
(to the extent not provided for)			
Claims against the company not acknowledged as debt - matters under disputes / appeals :			
i. Excise duty on Cement	**1,230.28**	1,230.28	1,205.57
ii. Custom Duty on Coal	**74.09**	74.09	74.09
iii. Service Tax	**150.61**	150.61	13.93
iv. Sales Tax / VAT	**449.51**	449.51	449.51
v. Income Tax	**-**	-	1.50
vi. Octroi	**38.49**	38.49	140.98
vii. Claims filed by workmen or their union against the Company	**3.00**	-	-
viii. House Tax	**82.79**	-	-
ix. Land Compensation	**459.38**	-	-
x. Unauthorised Mining	**-**	759.00	759.00
xi. Others	**17.50**	17.62	33.92

Notes :

i. The Company does not expect any reimbursement in respect of the above contingent liabilities.

ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.

iii. The amounts stated are including interest and penalty, to the extent demanded.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
35 Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 31.70 lacs; As at March 31, 2017 : ₹ 637.83 lacs, as at April 1, 2016 : ₹ 70.78 lacs)	**179.62**	3,592.48	189.33

36 Disclosure pursuant to Ind AS 19 on "Employee benefits"

36.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating to ₹ 205.13 lacs (Previous year : ₹ 208.23 lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 29)

36.2 Defined Benefit Plan : Gratuity (Unfunded)

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

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

Gratuity is paid by the Company as and when it becomes due and is paid as per the scheme for Gratuity.

* During the year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from ₹ 10 lacs to ₹ 20 lacs. Change in liability due to this scheme change is recognised as Past Service Cost.

36.3 Risk to the Plan

i. Actuarial Risk :

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

ii. Asset Liability Matching Risk :

The plan faces the ALM risk as to the matching cash flow. The Company manages the cash flow based on its own liquidity as and when it becomes due.

iii. Liquidity Risk :

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

iv. Market Risk :

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

v. Legislative Risk :

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The Government may amend the Payment of Gratuity Act, 1972; thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
36.4 i.	**Changes in Present Value of Obligations**	**Gratuity Unfunded**	Gratuity Unfunded
	Present Value of Obligation at the beginning	**849.18**	776.53
	Current Service Cost	**37.80**	34.98
	Past Service Cost	**38.61**	-
	Interest Cost	**63.77**	62.04
	Actuarial (Gain) / Loss due to :		
	- Change in Financial Assumptions	**(2.06)**	20.39
	- Experience Changes	**(11.72)**	25.29
	Benefits paid	**(42.50)**	(70.05)
	Present Value of Obligation as at the end	**933.08**	849.18
ii.	**Amount recognised in the Statement of Profit and Loss**		
	Current Service Cost	**37.80**	34.98
	Past Service Cost	**38.61**	-
	Interest Cost	**63.77**	62.04
		140.18	97.02
iii.	**Amount recognised in Other Comprehensive Income**		
	Components of Actuarial (Gain) / Loss :		
	Change in Financial Assumptions	**(2.06)**	20.39
	Experience Changes	**(11.72)**	25.29
		(13.78)	45.68
iv.	**Sensitivity Analysis for significant assumptions ***		
	Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
	1% increase in discount rate	**(39.18)**	(41.45)
	1% decrease in discount rate	**43.15**	45.73
	1% increase in salary escalation rate	**42.66**	46.19
	1% decrease in salary escalation rate	**(39.45)**	(42.59)
	1% increase in employee turnover rate	**4.54**	4.59
	1% decrease in employee turnover rate	**(4.99)**	(5.02)

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
		Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded
v.	**Amount recognised in Balance Sheet**			
	Gross value of Present Obligation at the end	**933.08**	849.18	776.53
vi.	**Maturity Profile of the Defined Benefit Obligation**			
	1st Following Year (Within next 12 months)	**150.75**	83.20	68.70
	2nd Following Year	**103.36**	60.64	34.51
	3rd Following Year	**104.92**	118.54	91.04
	4th Following Year	**134.48**	97.08	88.10
	5th Following Year	**139.83**	128.63	76.37
	Sum of Years 6 to 10	**435.48**	471.68	540.82

NOTES FORMING PART OF FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
		Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded
vii.	**Assumptions**			
	Mortality Table - Indian Assured Life Mortality 2006-08	**2006-08**	2006-08	2006-08
	Discount Rate	**7.56%**	7.51%	7.99%
	Rate of increase in compensation levels	**5.50%**	5.50%	5.50%
	Attrition Rate	**2.00%**	2.00%	2.00%
viii.	Weighted average duration of Defined Benefit Obligation	**6 Years**	7 Years	7 Years

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

x. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

xi. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

37 Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Managing Director in the Company to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of manufacturing of Cement and Clinker, which is the only operating segment as per Ind AS 108.

38 Disclosure pursuant to Ind AS 24 on "Related Party Disclosures"

38.1 List of related parties :

i. Holding Company :
Bhadra Textiles and Trading Private Limited

ii. Ultimate Controlling Party :
Galaxy Technologies Private Limited

iii. Subsidiary Company :
Villa Trading Company Private Limited

iv. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital :

a. Ria Holdings Ltd.
b. Pranay Holdings Ltd.
c. Reeti Investments Private Ltd.
d. Prachit Holdings Ltd.
e. Sumaraj Holding Private Ltd.
f. Sunnidhi Trading Private Ltd.
g. Shree Anandeya Investment Pvt. Ltd.
h. Sameta Export Private Ltd.
i. Pallor Trading Company Private Ltd.
j. The Arj Investments Limited
k. Treasurer's Trading Limited
l. GIIC Limited
m. Samja Mauritius Limited
n. Mehta Investments Pte Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

38.1 List of related parties : (contd.)

v. List of Key Management Personnel with whom transactions were carried out during the year :

a.	Mr. M. N. Mehta	Chairman
b.	Mr. Jay Mehta	Executive Vice Chairman
c.	Mr. M. S. Gilotra	Managing Director
d.	Mrs. Juhi Chawla Mehta	Non-Executive Director
e.	Mr. Hemnabh R. Khatau	Non-Executive Director
f.	Mr. Venkatesh Mysore	Non-Executive Director
g.	Mr. Y. K. Vyas	Non-Executive Director
h.	Mr. S. V. S. Raghavan	Independent Director
i.	Mr. M. L. Tandon	Independent Director
j.	Mr. P. K. Behl	Independent Director
k.	Mrs. Bhagyam Ramani	Independent Director
l.	Mr. M. N. Rao	Independent Director
m.	Mr. Bimal R. Thakkar	Independent Director
n.	Mr. Kailash N. Bhandari	Independent Director

vi. Enterprise having Key Management Personnel in common :

a. Saurashtra Cement Limited

38.2 Transactions and Balances with related parties :

A Transactions with related parties :

i. Compensation paid to Key Management Personnel :

	For the year ended March 31, 2018 ₹ in lacs		For the year ended March 31, 2017 ₹ in lacs	
Key Management Personnel	**Short-term employee benefits**	**Share-based payment**	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a and c below)	**37.05**	**-**	249.81	-
Mr. M. S. Gilotra (Refer Note a and b below)	**202.22**	**108.55**	141.36	-

a. As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

b. The amount represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.

c. 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. The Company has made application to the Central Government for approval of excess remuneration. Pending approval of the Central Government, an amount of ₹ 163.44 lacs for the year 2015-16 is held in trust by him.

NOTES FORMING PART OF FINANCIAL STATEMENTS

A Transactions with related parties : (contd.)

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
ii.	**Transactions with Key Management Personnel :**		
a.	Directors sitting fees	**33.50**	22.60
iii.	**Transactions with Saurashtra Cement Limited :**		
a.	Purchase of goods and materials	**29.59**	559.80
b.	Sale of goods, materials and power	**722.97**	256.28
c.	Expenses / (Recovery) for services (net)	**20.09**	61.91

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
B	**Outstanding Balances as at the year-end**			
i.	**Balance with Subsidiary Company :**			
a.	Amount payable to Villa Trading Co. Pvt. Ltd.	**-**	-	1.12
ii.	**Balances with Key Management Personnel :**			
a.	Remuneration payable to Mr. M S Gilotra	**22.81**	16.01	16.93
b.	Remuneration payable to Mr. Jay M Mehta	**37.25**	232.73	0.20
c.	Remuneration recoverable from Mr. Jay M Mehta	**-**	-	120.80
iii.	**Balance with Saurashtra Cement Limited :**			
a.	Outstanding Receivable / (Payable)	**43.39**	(136.80)	23.25

C Terms and conditions of transactions and balances with related parties

i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

iii. There have been no guarantees provided or received for any related party transaction.

iv. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

39 Capital Management

The primary objective of Company's Capital Management is to maximise the shareholder's value without having any adverse impact on interests of other stakeholders. At the same time, the Company strives to maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's Capital Management, debt includes both current and non-current (including current maturities) borrowings and equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company monitors capital using Debt to Equity ratio, which is total debt divided by total equity. Gross Debt to Equity ratio are as follows :

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Total Debt (A)	**4,629.81**	2,843.46	1,870.36
Total Equity (B)	**38,005.49**	34,591.88	37,837.56
Gross Debt Equity Ratio (A/B)	**0.12**	0.08	0.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

40 Disclosure pursuant to Ind AS 102 on "Share-based Payment"

40.1 Gujarat Sidhee Employee Stock Option Scheme 2017

During the year, Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017) was approved by the Shareholders at the Annual General Meeting held on July 25, 2017. The Nomination and Remuneration Committee at its meeting held on February 08, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the company as also to retain them. Each option carries the right to the holder to apply for one equity share of the company at par. The salient features of the Scheme are as below :

Particulars	Details
No. of Options	36,47,779
Date of Grant	February 08, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	24.16 (Vest 1), 24.87 (Vest 2), 26.53 (Vest 3) 25.20 (per Option)
Method of Settlement	Equity

40.2 Movement in Options Granted under ESOS 2017

Particulars	As at March 31, 2018 Nos	As at March 31, 2017 Nos
Outstanding at the beginning of the year	-	-
Granted during the year	**3,647,779**	-
Exercised during the year	-	-
Forfeited / lapsed during the year	-	-
Outstanding at the end of the year	**3,647,779**	-
Options exercisable at the end of the year	-	-

Since the options are yet to vest, the question of its exercise does not arise and hence, the exercise price or weighted average exercise price of the option is not given. Weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 4 years and 4.5 months.

40.3 Fair Valuation of Options Granted

The fair value of option have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the market price of the share one day prior to the date of grant and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

1	Risk Free Rate	:	7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
2	Option Life	:	Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)] which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
3	Expected Volatility	:	48.47% (Vest 1), 48.04% (Vest 2), 66.60% (Vest 3)
4	Dividend Yield	:	Nil

Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

40.4 Expenses arising from equity-settled share-based payments to employees debited to the Statement of Profit and Loss is ₹ 78.37 lacs (Previous year: ₹ Nil)

NOTES FORMING PART OF FINANCIAL STATEMENTS

41 Disclosure on Financial Instruments

41.1 Classification of Financial Assets and Liabilities

Particulars	Note	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Financial Assets at Cost :				
Investments	3	**7,899.81**	7,899.83	899.83
Financial Assets at Amortised cost :				
Trade Receivables	9	**1,193.50**	872.08	1,230.88
Loans	4 and 12	**744.64**	875.55	891.44
Investments	3	**0.14**	0.14	6,954.97
Cash and Bank Balances	10 and 11	**4,303.53**	3,705.48	3,351.71
Other Financial Assets	5 and 13	**902.45**	511.46	908.07
Financial Assets at Fair Value through Other Comprehensive Income :				
Investments	3	**4.10**	3.79	0.30
Total		**15,048.17**	13,868.33	14,237.20
Financial Liabilities at Amortised cost :				
Term Loan from Banks (Non-current)	17	**3,259.15**	1,293.06	293.28
Overdraft against lien of Bank Fixed Deposits	20	**560.23**	1,447.70	1,485.82
Trade payables	21	**7,150.82**	9,021.68	5,624.93
Other Financial Liabilities	22	**2,703.66**	2,414.48	2,120.76
Total		**13,673.86**	14,176.92	9,524.79

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

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

41.2 Fair Value Measurement

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

i. Receivables are evaluated by the company based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.

ii. The fair value of investment in optionally convertible debentures and interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.

iii. The fair values of quoted equity shares are derived from quoted market prices in active markets.

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Financial Assets at fair value through Other Comprehensive Income:			
Investments - Level 1	**0.07**	-	-
Investments - Level 3	**4.03**	3.79	0.30
Total	**4.10**	3.79	0.30

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

41.3 Financial Risk Management Framework

The Company's financial risk management is an integral part of how to plan and execute its business startegies. The risk management policy is approved by the Company's Board of Directors. The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets comprises of trade and other receivables and cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

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

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

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

Market Risk :

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

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

Foreign Exchange Risk :

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

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

Outstanding foreign currency exposure	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs
Trade Advances		
Euro	**4.34**	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Foreign currency sensitivity on unhedged exposure :

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

Interest Rate Risk :

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

Interest rate exposure :

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

Commodity Price Risk :

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

Credit Risk Management :

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

Trade Receivables :

Customer credit is managed as per Company's established policies and procedures and control related to customer credit risk management. The Company has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Deposits are taken from customers as per agreement with them. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit in addition to security deposits.

Outstanding receivable from customers is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Company does not have higher concentration of credit risks to a single customer.

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

Total Trade receivable as on March 31, 2018 is ₹ 1,216.57 Lacs (March 31, 2017 : ₹ 920.31 Lacs, April 1, 2016 : ₹ 1,281.48 Lacs)

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based on specific identification. This is further substantiated by the fact that entire bad debt written off during the year ended March 31, 2018 and March 31, 2017 were fully provided for in earlier years. The Company will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for doubtful debts is as below:

Particulars	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs
Opening Provision	**48.23**	50.60
Add: Provided during the year	**-**	5.15
Less: Utilised / written back during the year	**25.16**	7.52
Closing Provision	**23.07**	48.23

NOTES FORMING PART OF FINANCIAL STATEMENTS

Cash and Cash Equivalent and Bank Deposit :

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

Liquidity Risk :

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

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

₹ in lacs

As at March 31, 2018	**Less than 1 year / On demand**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings (including current maturities of long-term borrowings)	1,370.66	2,907.40	351.75	4,629.81
Trade payables	7,150.82	-	-	7,150.82
Other financial liabilities	1,893.23	-	-	1,893.23

₹ in lacs

As at March 31, 2017	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	1,550.40	1,293.06	-	2,843.46
Trade payables	9,021.68	-	-	9,021.68
Other financial liabilities	2,311.78	-	-	2,311.78

₹ in lacs

As at April 1, 2016	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	1,577.08	293.28	-	1,870.36
Trade payables	5,624.93	-	-	5,624.93
Other financial liabilities	2,029.50	-	-	2,029.50

NOTES FORMING PART OF FINANCIAL STATEMENTS

42 Disclosure pursuant to Ind AS 101 on "First-time Adoption of Indian Accounting Standards"

A Effect of Ind AS adoption on Balance Sheet as at April 1, 2016

	Note	I-GAAP	Effect of transition to Ind AS	Ind AS
		₹ in lacs	₹ in lacs	₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	9,947.60	25,822.60	35,770.20
(b) Capital Work-in-progress		470.57	-	470.57
(c) Intangible Assets		46.72	-	46.72
(d) Financial Assets				
(i) Investments	2	7,433.24	421.86	7,855.10
(ii) Loans		874.62	-	874.62
(iii) Other Financial Assets		770.98	-	770.98
(e) Current Tax Assets (net)		288.25	-	288.25
(f) Other Non-current assets		163.89	-	163.89
Sub-total		19,995.87	26,244.46	46,240.33
Current Assets				
(a) Inventories	1(ii)	5,480.35	(223.33)	5,257.02
(b) Financial Assets				
(i) Trade Receivables		1,230.88	-	1,230.88
(ii) Cash and Cash Equivalents		516.95	-	516.95
(iii) Bank Balances other than (ii) above		2,834.76	-	2,834.76
(iv) Loans		16.82	-	16.82
(v) Other Financial Assets		137.09	-	137.09
(c) Other Current assets		849.70	-	849.70
Sub-total		11,066.55	(223.33)	10,843.22
Total Assets		31,062.42	26,021.13	57,083.55
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		8,620.69	-	8,620.69
(b) Other Equity	1, 2 and 4	9,113.16	20,103.71	29,216.87
Sub-total		17,733.85	20,103.71	37,837.56
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		293.28	-	293.28
(b) Provisions		960.97	-	960.97
(c) Deferred Tax Liabilities (net)	4	(1,312.23)	5,917.42	4,605.19
Sub-total		(57.98)	5,917.42	5,859.44
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,485.82	-	1,485.82
(ii) Trade Payables		5,624.93	-	5,624.93
(iii) Other Financial Liablities		2,120.76	-	2,120.76
(b) Other Current Liabilities		4,013.99	-	4,013.99
(c) Provisions		141.05	-	141.05
Sub-total		13,386.55	-	13,386.55
Total Equity and Liabilities		31,062.42	26,021.13	57,083.55

NOTES FORMING PART OF FINANCIAL STATEMENTS

B Effect of Ind AS adoption on Balance Sheet as at March 31, 2017

	Note	I-GAAP	Effect of transition to Ind AS	Ind AS
		₹ in lacs	₹ in lacs	₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	9,512.35	26,258.28	35,770.63
(b) Capital Work-in-progress	1(ii)	2,343.06	(166.93)	2,176.13
(c) Intangible Assets		16.03	-	16.03
(d) Financial Assets				
(i) Investments	2	7,436.73	467.03	7,903.76
(ii) Loans		859.90	-	859.90
(iii) Other Financial Assets		324.04	-	324.04
(e) Current Tax Assets (net)		191.92	-	191.92
(f) Other Non-current assets		748.05	-	748.05
Sub-total		21,432.08	26,558.38	47,990.46
Current Assets				
(a) Inventories	1(ii)	5,652.23	(43.75)	5,608.48
(b) Financial Assets				
(i) Trade Receivables		872.08	-	872.08
(ii) Cash and Cash Equivalents		331.68	-	331.68
(iii) Bank Balances other than (ii) above		3,373.80	-	3,373.80
(iv) Loans		15.65	-	15.65
(v) Other Financial Assets		187.42	-	187.42
(c) Other Current assets		618.72	-	618.72
Sub-total		11,051.58	(43.75)	11,007.83
Total Assets		32,483.66	26,514.63	58,998.29
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		8,620.69	-	8,620.69
(b) Other Equity	1, 2 and 4	5,208.73	20,762.46	25,971.19
Sub-total		13,829.42	20,762.46	34,591.88
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,293.06	-	1,293.06
(b) Provisions		1,051.91	-	1,051.91
(c) Deferred Tax Liabilities (net)	4	(1,312.23)	5,752.17	4,439.94
Sub-total		1,032.74	5,752.17	6,784.91
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,447.70	-	1,447.70
(ii) Trade Payables		9,021.68	-	9,021.68
(iii) Other Financial Liablities		2,414.48	-	2,414.48
(b) Other Current Liabilities		4,573.26	-	4,573.26
(c) Provisions		164.38	-	164.38
Sub-total		17,621.50	-	17,621.50
Total Equity and Liabilities		32,483.66	26,514.63	58,998.29

NOTES FORMING PART OF FINANCIAL STATEMENTS

C Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

	Note	I-GAAP	Effect of transition to Ind AS	Ind AS
		₹ in lacs	₹ in lacs	₹ in lacs
Revenue from Operations	5	43,735.65	5,534.28	49,269.93
Other Income	2(ii) and 3(i)	615.62	543.62	1,159.24
Total Income		44,351.27	6,077.90	50,429.17
Expenses				
(a) Cost of Materials Consumed		9,563.17	-	9,563.17
(b) Changes in inventories of finished goods and work-in-progress		1.96	-	1.96
(c) Excise duty Expenses	5(ii)	-	5,830.84	5,830.84
(d) Employee Benefits Expenses	3(i) and 6	3,460.12	(40.99)	3,419.13
(e) Finance Costs		302.47	-	302.47
(f) Depreciation and Amortisation Expense	1(ii) and 1(iv)	875.73	63.17	938.90
(g) Other Expenses	1(ii), 2(ii) and 5(i)	34,052.25	(314.34)	33,737.91
Total Expenses		48,255.70	5,538.68	53,794.38
Profit/(Loss) before Tax		(3,904.43)	539.22	(3,365.21)
Tax Expense				
(a) Current Tax		-	-	-
(b) Deferred Tax	4	-	(151.09)	(151.09)
Total Tax Expense		-	(151.09)	(151.09)
Profilt/(Loss) for the year		(3,904.43)	690.31	(3,214.12)
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of Defined Benefit Plans	6	-	(45.68)	(45.68)
(b) Income Tax on above	4	-	14.12	14.12
Total Other Comprehensive Income for the year		-	(31.56)	(31.56)
Total Comprehensive Income for the year		(3,904.43)	658.75	(3,245.68)

D Effect of Ind AS adoption on Cash Flow Statement for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS except below:

Stores and spares which are consumed during FY 2016-17 but satisfying recognition criteria of PPE are reversed from Statement of Profit and Loss and is capitalised as PPE. Consequently, cash outflows from investing activities increased by ₹ 498.86 lacs and cash inflows from operating activites increased by equivalent amount.

NOTES FORMING PART OF FINANCIAL STATEMENTS

E Statement of reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Sr. No.	Nature of adjustments	Note	₹ in lacs
	Net Profit / (Loss) as per Indian GAAP		(3,904.43)
i.	Interest recognised on Non-current Financial Assets as per Effective Interest basis	2(ii)	538.95
ii.	Loss on conversion of Optionally Convertible Debentures	2(ii)	(493.76)
iii.	Depreciation and Amortisation on items of Property, Plant and Equipment	1(ii)	(61.93)
iv.	Actuarial Loss considered in Other Comprehensive Income	6	45.68
v.	Deferred Tax (net)	4	151.09
vi.	Items of spares in PPE, now recognised	1(ii)	511.52
vii.	Amortisation of lease hold land, now classified	1(iv)	(1.24)
	Total		690.31
	Net Profit / (Loss) as per Ind AS		(3,214.12)
	Other Comprehensive Income (net of tax)	6	(31.56)
	Total Comprehensive Income		(3,245.68)

F Statement of reconciliation of Total Equity reported under Indian GAAP and under Ind AS

Sr. No.	Nature of adjustments	Note	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
	Total Equity as per Indian GAAP		13,829.42	17,733.85
i.	Recognition of fair value of freehold land	1(iii)	25,841.88	25,841.88
ii.	Financial Assets measured at Amortised cost and Loss on it's derecognition	2(ii)	588.20	543.02
iii.	Deferred Tax (net)	4	(5,873.32)	(6,038.56)
iv.	Items of spares in PPE, now recognised	1(ii)	258.10	(191.47)
v.	Amortisation of lease hold land, now classified	1(iv)	(52.40)	(51.16)
	Total		20,762.46	20,103.71
	Total Equity as per Ind AS		34,591.88	37,837.56

G Notes to the reconciliation of Balance Sheet and Total Equity as at April 1, 2016 and March 31, 2017 and Statement of Profit and Loss and Total Comprehensive Income for the year ended March 31, 2017

1 Property, Plant and Equipment

i. The Company has elected to measure items of Property, Plant and Equipment and Intangible Assets at Cost as per Ind AS 16 except freehold land which is measured at its fair value at the date of transition.

ii. As per the accounting policy on Property, Plant and Equipment (PPE), spare parts, stand-by equipment and service equipment are recognised as PPE when they meet the definition thereof and are material.

Stores and spares which are held in Inventory / CWIP and satisfying above criteria are de-recognised from Inventory / CWIP and capitalised as PPE from the date of purchase. Similarly stores and spares which are consumed and satisfying above criteria are reversed from Statement of Profit and Loss and is capitalised as PPE.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation on capitalised stores and spares till the date of transition is accounted for in Retained Earnings and is charged to Statement of Profit and Loss for the year ended March 31, 2017.

iii. The Company has considered fair value as deemed cost for its land located at Sidheegram, Dist. - Gir Somnath, Gujarat - 362 276 in accordance with para D5 of Ind AS 101. The impact of net increase in freehold land of ₹ 25,841.88 lacs, after considering Defererd Tax Liability of ₹ 5,827.75 lacs thereon, is reflected in Retained Earnings.

iv. The Company has provided amortisation based on quantity of limestone / marl extracted during the year out of total deposit available for mining of its leasehold land of ₹ 83.16 lacs, now so classified.

2 Investments

i. The Company has elected to carry its investment in equity shares of subsidiaries and associate at deemed cost which is its previous GAAP carrying amount at the date of transition and other equity investments at Fair Value through Other Comprehensive Income.

ii. The Company has measured its investment in debentures of subsidiaries on initial recognition at fair value and thereafter at amortised cost. On the date of conversion of these debentures, the excess of amortised cost of debentures over value of equity shares received on conversion is accounted as loss on conversion.

3 Loans / Other Financial assets / Other Current Assets

i. Under IGAAP, the Company had accounted for interest-free loan to employees at the undiscounted amount whereas under Ind AS, such financial assets are recognised at fair value on initial recognition and therefater at amortised cost.

ii. As per Schedule III, Security Deposits are to be classified either under Loans or Other Non-current/Current Assets. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets.

iii. Fixed deposit with maturity greater than twelve months shown in IGAAP under Other Non-current Assets have been reclassified as Other Non-current Financial Assets as per Schedule III to Companies Act, 2013.

4 Deferred Tax

i. IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss or other comprehensive income respectively.

ii. As per Ind AS 12, the Company has considered MAT Credit entitlement as deferred tax asset being unused tax credit.

5 Revenue from Operations

i. Under IGAAP, discounts other than cash discounts / rate differences directly attributable to sales were recognised as part of other expenses which are adjusted against the revenue under Ind AS during the year ended March 31, 2017.

ii. Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty is included in revenue from operations and shown separately as an expense.

6 Defined benefit liabilities

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income.

NOTES FORMING PART OF FINANCIAL STATEMENTS

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
43	**Earning Per Share:**		
	Weighted average number of equity shares of ₹ 10 each	**86,153,852**	86,153,852
	Net Profit / (Loss) after Tax	**3,326.23**	(3,214.12)
	Basic earnings per share (in ₹)	**3.86**	(3.73)
	Equity Shares to be allotted in future against grant of options to Employees under Employees Stock Option Scheme (ESOS) 2017, that could potentially dilute basic earning per share (EPS) in the future but are not included in the calculation of diluted EPS because they are antidilutive for the year.	**3,647,779**	-
	Diluted earnings per share (in ₹)	**3.86**	(3.73)

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Sidhee Cement Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **GUJARAT SIDHEE CEMENT LIMITED** ("the Company" or "the Holding Company") and its Subsidiary Company, Villa Trading Company Private Limited (collectively referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company and its Subsidiary Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Indian Accounting Standards 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 of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements that give a true and fair view inorder 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 Board of Directors and its subsidiary company in the Group, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors, referred to in the Other Matters paragraph below, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group, as at March 31, 2018, and its consolidated profit, consolidated total comprehensive income, its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

The remuneration of ₹ 163.44 lacs which was provided and paid to the Executive Vice Chairman ("EVC") during the financial year 2015-16 was in excess of the limit prescribed under Sections 197 and 198 read with Schedule V of the Act, 2013, is still pending approval of the Central Government and the same is held by EVC in trust for the Company as at March 31, 2018.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the Financial Statements and the financial information of the Subsidiary Company, included in the Consolidated Ind AS Financial Statements, whose Financial Statements and financial information reflect total assets of ₹ 9567.88 lacs as at March 31, 2018, total revenues of ₹ 254.84 lacs, total comprehensive income of ₹ 2074.03 lacs and net cash inflow amounting to ₹ 0.73 lacs for the year ended on that date, as considered in preparation of Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of net profit of ₹ 672.85 lacs for the year ended March 31, 2018 in respect of an associate (upto October 4, 2017), whose financial statements and financial information have not been audited by us. These Financial Statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary Company, is based solely on the reports of the other auditors.

The Comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Consolidated Ind AS Financial Statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India and audited by the predecessor auditor (vide their unmodified audit report on May 24, 2017 and May 27, 2016 respectively), as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Our opinion on the Consolidated Ind AS 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 reports of the other auditors and the financial statements and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
   b. In our opinion and as reported by the auditors of the subsidiary, proper books of account as required by law have been kept by the Group, so far as it appears from the examination of those books;
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealtwith by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
   d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder;
   e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company and as reported by the auditors of the subsidiary company, none of the directors of the companies in the Group is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
   g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiary company:
      i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements - Refer Note 35 to the Consolidated Ind AS 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 Investor Education and Protection Fund by the Group during the year ended March 31, 2018.

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 25, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1.f under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of **GUJARAT SIDHEE CEMENT LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Ind AS 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 of the subsidiary 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors, referred to in the Other Matters paragraph below, the Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note.

Other Matters

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

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

PARESH H. CLERK
Partner
Membership No. 36148

Place : MUMBAI
Date : May 25, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Note	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	**41,577.45**	35,770.63	35,770.20
(b) Capital Work-in-progress	2	**573.15**	2,176.13	470.57
(c) Intangible Assets	2	**5.44**	16.03	46.72
(d) Financial Assets				
(i) Investments	3	**9,496.67**	10,177.43	10,021.53
(ii) Loans	4	**730.68**	859.90	874.62
(iii) Other Financial Assets	5	**772.56**	324.05	770.99
(e) Current Tax Assets (net)	6	**145.36**	191.92	288.25
(f) Other Non-current assets	7	**127.14**	748.05	163.89
Sub-total		**53,428.45**	50,264.14	48,406.77
Current Assets				
(a) Inventories	8	**4,590.66**	5,608.48	5,257.02
(b) Financial Assets				
(i) Trade Receivables	9	**1,193.50**	872.08	1,230.88
(ii) Cash and Cash Equivalents	10	**949.91**	346.15	532.26
(iii) Bank Balances other than (ii) above	11	**3,368.82**	3,373.80	2,834.76
(iv) Loans	12	**74.21**	25.90	28.32
(v) Other Financial Assets	13	**129.90**	187.42	137.09
(c) Current Tax Assets (net)	14	**-**	-	0.27
(d) Other Current assets	15	**501.13**	618.72	849.70
Sub-total		**10,808.13**	11,032.55	10,870.30
Total Assets		**64,236.58**	61,296.69	59,277.07
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	16	**8,620.69**	8,620.69	8,620.69
(b) Other Equity	17	**30,879.37**	27,672.38	30,798.33
Sub-total		**39,500.06**	36,293.07	39,419.02
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	**3,259.15**	1,293.06	293.28
(b) Provisions	19	**1,069.55**	1,051.91	960.97
(c) Deferred Tax Liabilities (net)	20	**4,147.09**	4,439.94	4,614.50
Sub-total		**8,475.79**	6,784.91	5,868.75
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	**710.23**	2,042.70	2,085.82
(ii) Trade Payables	22	**7,151.02**	9,021.90	5,623.96
(iii) Other Financial Liablities	23	**2,703.66**	2,414.48	2,120.76
(b) Other Current Liabilities	24	**5,312.75**	4,575.04	4,017.71
(c) Provisions	25	**383.07**	164.59	141.05
Sub-total		**16,260.73**	18,218.71	13,989.30
Total Equity and Liabilities		**64,236.58**	61,296.69	59,277.07
Significant Accounting Policies	1			
The accompanying Notes are an integral part of the Financial Statements				

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Note	**For the Year ended March 31, 2018 ₹ in lacs**	For the Year ended March 31, 2017 ₹ in lacs
Revenue from Operations	26	**55,455.99**	49,269.93
Other Income	27	**1,702.62**	621.30
Total Income		**57,158.61**	49,891.23
Expenses			
(a) Cost of Materials Consumed	28	**8,329.00**	9,563.17
(b) Changes in inventories of finished goods and work-in progress	29	**834.37**	1.96
(c) Excise duty Expenses		**1,821.27**	5,830.84
(d) Employee Benefits Expenses	30	**3,570.33**	3,419.13
(e) Finance Costs	31	**340.21**	395.29
(f) Depreciation and Amortisation Expense	2	**950.55**	938.90
(g) Other Expenses	32	**37,605.01**	33,290.41
Total Expenses		**53,450.74**	53,439.70
Profit/(Loss) before Tax		**3,707.87**	(3,548.47)
Tax Expense			
(a) Current Tax	34	**185.49**	0.31
(b) Deferred Tax	34	**(297.72)**	(160.40)
Total Tax Expense		**(112.23)**	(160.09)
Profilt/(Loss) for the year before share in profits of Associate		**3,820.10**	(3,388.38)
Share in Profits of Associate		**672.85**	284.59
Profilt/(Loss) for the year		**4,492.95**	(3,103.79)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of Defined Benefit Plans		**12.71**	(49.20)
(b) Effect of measuring Equity Instruments on Fair Value		**(1,372.60)**	11.70
(c) Income Tax on (a) and (b)		**(4.45)**	15.34
Total Other Comprehensive Income for the year		**(1,364.34)**	(22.16)
Total Comprehensive Income for the year		**3,128.61**	(3,125.95)
Earnings per Equity Share of ₹ 10 par value :			
Basic (₹ per share)	45	**5.22**	(3.60)
Diluted (₹ per share)	45	**5.22**	(3.60)
Significant Accounting Policies	1		
The accompanying Notes are an integral part of the Financial Statements			

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

		For the Year ended March 31, 2018 ₹ in lacs	For the Year ended March 31, 2017 ₹ in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) Before Tax	**3,707.87**	(3,548.47)
	Adjustments for		
	Depreciation and Amortisation	**950.55**	938.90
	Finance Cost	**340.19**	395.21
	Interest Income	**(327.97)**	(352.06)
	Loss on sale of Property, Plant & Equipment	**-**	5.75
	Profit on sale of Property, Plant & Equipment	**(8.56)**	-
	Gain on disassociation of associate	**(551.27)**	-
	Expenses on Employee Stock Option Scheme	**78.37**	-
	Bad Debts written off	**7.22**	7.06
	Provision for Doubtful debt and advances	**-**	6.36
	Provision no longer required written back	**(565.22)**	(131.11)
	Sundry credit balances written back	**(16.72)**	-
	Provision for doubtful debts and advances written back	**(25.16)**	(7.52)
	Operating Profit Before Working Capital Changes	**3,589.30**	(2,685.88)
	Adjustments for increase / decrease in:		
	Trade receivables	**(303.49)**	354.02
	Loans and Advances and Other current assets	**192.75**	247.56
	Inventories	**1,017.82**	(351.46)
	Trade payable, Other Financial & Current Liabilities	**(1,032.05)**	4,298.10
	Provisions	**143.58**	68.81
	Cash generated from operations	**3,607.91**	1,931.15
	Income-tax (paid) / refund (net)	**(32.62)**	96.02
	Net cash flow from operating activities	**3,575.29**	2,027.17
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of PPE, intangible assets and work in progress	**(4,579.35)**	(3,254.35)
	Proceeds of sale of shares (net)	**390.01**	-
	Dividend received	**141.58**	141.58
	Sale of Property, Plant and Equipment	**70.82**	47.60
	Net cash flow (used in) investing activities	**(3,976.94)**	(3,065.17)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	**2,783.57**	1,108.34
Repayment of Long-term Borrowings	**(109.75)**	(97.11)
Repayment of Short-term Borrowings (net)	**(1,334.25)**	(38.12)
Deposits held as margin money (net)	**(443.53)**	(92.10)
Finance Cost Paid	**(276.11)**	(330.76)
Interest Income Received	**385.49**	301.66
Dividend Paid	**(0.01)**	(0.01)
Net cash flow from financing activities	**1,005.41**	851.90
Net increase / (decrease) in cash and cash equivalents	**603.76**	(186.11)
Cash and cash equivalents as at the beginning of the year	**346.15**	532.26
Cash and cash equivalents as at the end of the year (Refer Note 10)	**949.91**	346.15

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. Figures in bracket indicate Cash Outflow.

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

(₹ in lacs)

Balance as at April 1, 2016	Changes in Equity Share Capital during the year 2016-17	Balance as at March 31, 2017	**Changes in Equity Share Capital during the year 2017-18**	**Balance as at March 31, 2018**
8,620.69	-	8,620.69	**-**	**8,620.69**

B. Other Equity

(₹ in lacs)

Particulars	**Reserves and Surplus**			**Equity Instruments through Other Comprehensive Income**	**Total**
	Capital Reserve	**Share Options Outstanding**	**Retained Earnings**		
Balance as at April 1, 2016	6,957.21	-	23,841.12	-	30,798.33
Profit / (Loss) for the year	-	-	(3,103.79)	-	(3,103.79)
Effect of measuring equity instruments at fair value	-	-	-	11.70	11.70
Remeasurement gain / (loss) on Defined Benefit Plan	-	-	(33.86)	-	(33.86)
Total Comprehensive Income for the year	-	-	(3,137.65)	11.70	(3,125.95)
Balance as at March 31, 2017	6,957.21	-	20,703.47	11.70	27,672.38
Profit / (Loss) for the year	**-**	**-**	**4,492.95**	**-**	**4,492.95**
Effect of measuring equity instruments at fair value	**-**	**-**	**-**	**(1,372.60)**	**(1,372.60)**
Remeasurement gain / (loss) on Defined Benefit Plan	**-**	**-**	**8.27**	**-**	**8.27**
Total Comprehensive Income for the year	**-**	**-**	**4,501.22**	**(1,372.60)**	**3,128.62**
Employee Stock Options Granted during the year	**-**	**78.37**	**-**	**-**	**78.37**
Balance as at March 31, 2018	**6,957.21**	**78.37**	**25,204.69**	**(1,360.90)**	**30,879.37**

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No. 36148

Mumbai, Dated May 25, 2018

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 25, 2018

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information and Significant Accounting Policies

A Corporate Information

Gujarat Sidhee Cement Limited ("the Company" or "the Holding Company") is engaged in the business of manufacturing and selling of Cement and Clinker.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Sidheegram, Gujarat, India. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The consolidated financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors on May 25, 2018.

B Significant Accounting Policies

1.1 Basis of Consolidation

These Consolidated Financial Statements are prepared in accordance with Ind AS 110 - Consolidated Financial Statements, specified under Section 133 of the Companies Act, 2013.

The financial statements of the Company and its Subsidiary ("the Group") have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The accounting policies of subsidiary have been harmonised to ensure the consistency with the policies adopted by the Holding Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company's separate financial statements.

The difference between cost of investment in Subsidiary Company and Holding Company's share of Net Assets at the time of acquisition of shares in Subsidiary is recognised in the consolidated financial statements as Goodwilll or Capital Reserve, as the case may be.

Subsidiary Company considered in the Consolidated Financial Statements is:

No.	Name of the Company	Country of Incorporation	Parent's holding as at March 31, 2018	Parent's holding as at March 31, 2017	Parent's holding as at April 1, 2016	Financial Year ends
i.	Villa Trading Company Private Limited	India	100.00%	100.00%	100.00%	March 31

1.2 Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind ASs) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

For all periods upto and including for the financial year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures as at March 31, 2017, as at April 1, 2016 and for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

These consolidated financial statements for the year ended March 31, 2018 are the Group's first Ind AS consolidated financial statements. The Group has adopted all the Ind ASs and the adoption was carried out in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards", the date of transition to Ind AS being April 1, 2016. Refer Note 44 for disclosures required by Ind AS 101.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities:

i. Certain financial assets and liabilities that are measured at fair value.

ii. Employee's Defined Benefit Plan measured as per independent actuarial valuation.

iii. Share-based payments that are measured at fair value.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency and all amounts are rounded off to the nearest lacs (INR '00,000) upto two decimals, except when otherwise indicated.

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

The Group presents assets and liabilities in the Consolidated Balance Sheet based on Current / Non-current classification.

An asset is classified as Current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

A liability is classified as Current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period..

All other liabilities are classified as Non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

1.3 Property, Plant and Equipment (PPE)

An item of PPE is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and / or accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy on borrowing costs.

If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.

Items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment" and are material.

Freehold land is carried at cost.

Mobile Phones costing less than ₹ 10,000/- are fully charged to revenue in the year in which they are purchased.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Capital Work-in-progress

Items of PPE which are not ready for intended use on the date of Consolidated Balance Sheet are disclosed as Capital Work-in-progress. It is carried at cost, less accumulated impairment loss, if any. The items classified under Capital Work-in-progress are capitalised to the respective items of PPE on their completion and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

1.4 Depreciation / Amortisation

Depreciation on Property, Plant and Equipment (other than Freehold / Leasehold Land and Capital Work-in-progress) is commenced when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation is provided on the Straight-Line Method as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment.

The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

Cost of Leasehold Land is amortised based on quantity of limestone / marl extracted during the year out of estimated deposit available for mining.

Items of PPE costing up to ₹ 5,000/- are fully depreciated in the year of purchase / capitalisation.

Depreciation of an asset ceases at the earlier of the date, the asset is retired from active use and is held for disposal and the date, the asset is derecognised.

1.5 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis as per Schedule II to the Companies Act, 2013. Intangible assets being computer software are amortised over a period of three years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

1.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

Inventories are valued as follows:

Raw materials, Packing materials, Fuels and Stores and spare parts - At cost or net realisable value, whichever is lower, derived on moving weighted average basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Work-in-progress (WIP), Finished goods and Stock-in-trade - At cost or net realisable value, whichever is lower. Cost of Finished goods and WIP includes all direct costs and other related factory overheads incurred in bringing the inventories to their present location and condition.

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

1.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit / (loss) for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

1.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.10 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Contingent assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

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

1.11 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sale of Goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the buyer, which is on dispatch of goods to buyer. Sales include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates, rate differences, discounts, etc.

Export Sales are accounted on the basis of bills of lading / mate's receipt dates.

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.

Insurance Claim

Claims for Insurance are accounted on certainty of acceptance thereof by the Insurer.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividends

Dividend income from investments is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

1.12 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets acquired under finance leases are recognised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating Leases:

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight-line basis over the term of the relevant lease.

1.13 Employee share based payments

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share, unless it is anti-dilutive.

1.14 Employee benefits

i. Short-term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

ii. Long-term employee benefits

a. Defined Contribution Plan:

Provident and Family Pension Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to Regional Provident Fund Commissioner, Rajkot, Gujarat. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Consolidated Statement of Profit and Loss as incurred.

Superannuation Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of Superannuation fund, in which the Company makes annual contribution at a specified percentage of the employee's eligible salary (currently 15%) subject to maximum of ₹ 1.50 lacs. The contributions are made to Life Insurance Corporation of India. Superannuation Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the Consolidated Statement of Profit and Loss as incurred.

b. Defined Benefit Plan:

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Consolidated Balance Sheet date. The Company pays these benefits as and when due based on its own liquidity.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the Consolidated Balance Sheet with a charge or credit to retained earnings through Other Comprehensive Income (OCI). Remeasurement is not reclassified to Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation.

Compensated absences:

The Company provides for encashment of absence or absence with pay subject to certain rules. The employees are entitled to accumulate absences subject to certain limits for future encashment / availment. The liability is recognised based on number of days of unutilised leave at each Consolidated Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated Statement of Profit and Loss in the period in which they arise.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.15 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.16 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the reporting period.

1.17 Foreign Currency Transactions

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.18 Financial Instruments

Financial assets and Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and transaction costs, other premiums or discounts, paid or received that form an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:

The Group recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade Receivables, in view of the Group's credit policy and past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Group makes provision for doubtful debts based on specific identification. The Group will reassess the model periodically and make the necessary adjustments for loss allowance, if required.

Derecognition of financial assets:

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

Financial liabilities and equity instruments:

- **Classification as debt or equity:**

  Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **Equity instruments:**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

  Equity instruments issued by the Group are recognised at the proceeds received.

Derecognition of financial liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.19 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the consolidated financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgements:

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised based upon the likely timing and the level of future taxable profits. Also refer Note 34.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Property, Plant and Equipment/Intangible Assets:

Property, Plant and Equipment/Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer Note 36.

Fair Value measurements of Financial Instruments:

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

Recoverability of Trade Receivables:

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

Provisions:

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

Share-based payments:

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

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

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 41.

1.20 First-time Adoption of Ind AS

Overall Principle

The Group has prepared the Opening Consolidated Balance Sheet as per Ind AS as at April 1, 2016 (the date of transition) by recognising all assets and liabilities whose recognition is required by Ind ASs, not recognising items of assets or liabilities which are not permitted by Ind ASs, by reclassifying items from previous GAAP to Ind AS as required under Ind ASs, and applying Ind ASs in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed or not so availed by the Group. Details of exemptions availed are as under:

i. Business Combination:

The Group has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the date of transition and therefore, has kept the same classification for the past business combinations as in its previous GAAP financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Accordingly, Goodwill of ₹ 2,805.11 lacs on the acquisition of shares of Associate, computed under Previous GAAP, is continued at same amount.

ii. Property, Plant and Equipment and Other intangible assets:

The Company has not elected the exemption to adopt previous GAAP carrying value, as its deemed cost, of all its PPE and Other Intangible Assets recognised as at the date of transition. Consequently, cost in respect of PPE (other than freehold land) and Other Intangible Assets has been retrospectively remeasured in accordance with Ind AS.

In respect of freehold land, the Company has elected the exemption to measure it at its fair value at the date of transition and use that fair value as its deemed cost at that date.

iii. Investments:

The Group has designated investment in equity shares (other than subsidiaries and associate) held at the date of transition as fair value through OCI.

1.21 Ind AS issued but not effective

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind ASs:

Ind AS 21: The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on its consolidated financial statements and the impact is not material.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) – Under this approach, the standard is applied only to contracts that are not completed contracts on that date. Cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018. The Group has evaluated the effect of this on its consolidated financial statements and the impact is not material.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land										
Freehold	26,040.15	-	-	26,040.15	-	-	-	-	26,040.15	26,040.15
Leasehold	288.39	16.00	-	304.39	52.40	5.17	-	57.57	246.82	235.99
Buildings	3,776.53	895.53	-	4,672.06	2,391.46	80.84	-	2,472.30	2,199.76	1,385.07
Plant and Equipment	20,332.93	5,747.64	-	26,080.57	13,928.77	448.71	-	14,377.48	11,703.09	6,404.16
Furniture and Fixtures	1,271.50	41.84	97.42	1,215.92	831.18	100.63	96.82	834.99	380.93	440.32
Vehicles	1,957.55	77.44	269.85	1,765.14	906.35	223.96	212.94	917.37	847.77	1,051.20
Computers	430.25	8.54	46.42	392.37	393.93	17.26	45.57	365.62	26.75	36.32
Office Equipment	808.76	17.82	138.48	688.10	631.34	59.16	134.58	555.92	132.18	177.42
Total	54,906.06	6,804.81	552.17	61,158.70	19,135.43	935.73	489.91	19,581.25	41,577.45	35,770.63

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Capital Work-in-progress	2,176.13	4,522.59	6,125.57	573.15	-	-	-	-	573.15	2,176.13

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software	102.63	4.23	-	106.86	91.52	9.90	-	101.42	5.44	11.11
Membership Fees	78.97	-	-	78.97	74.05	4.92	-	78.97	-	4.92
Total	181.60	4.23	-	185.83	165.57	14.82	-	180.39	5.44	16.03

Notes :

(a) Leasehold land is acquired for mining purpose by the Company. The land cannot be sold without permission of the Collector.

(b) Two residential flats in Mumbai of the Company have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit to the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Property, Plant and Equipment (contd.)

₹ in lacs

	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Land										
Freehold [Refer (a) below]	25,981.31	58.84	-	26,040.15	-	-	-	-	26,040.15	25,981.31
Leasehold	115.06	173.33	-	288.39	51.16	1.24	-	52.40	235.99	63.90
Buildings	3,775.14	1.39	-	3,776.53	2,313.23	78.23	-	2,391.46	1,385.07	1,461.91
Plant and Equipment	19,728.15	604.78	-	20,332.93	13,558.54	370.23	-	13,928.77	6,404.16	6,169.61
Furniture and Fixtures	1,238.81	35.59	2.90	1,271.50	716.96	116.90	2.68	831.18	440.32	521.85
Vehicles	2,038.35	54.36	135.16	1,957.55	741.21	247.17	82.03	906.35	1,051.20	1,297.14
Computers	421.76	8.49	-	430.25	372.83	21.10	-	393.93	36.32	48.93
Office Equipment	785.99	22.77	-	808.76	560.44	70.90	-	631.34	177.42	225.55
Total	54,084.57	959.55	138.06	54,906.06	18,314.37	905.78	84.71	19,135.43	35,770.63	35,770.20

Capital Work-in-progress

	Gross Block				Impairment				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Capital Work-in-progress	470.57	1,722.43	16.87	2,176.13	-	-	-	-	2,176.13	470.57

Other Intangible Assets

	Gross Block				Amortisation				Net Block	
	As at April 1, 2016	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Computer Software	100.20	2.43	-	102.63	77.03	14.49	-	91.52	11.11	23.17
Membership Fees	78.97	-	-	78.97	55.42	18.63	-	74.05	4.92	23.55
Total	179.17	2.43	-	181.60	132.45	33.12	-	165.57	16.03	46.72

Notes :

(a) The Company has considered fair value as deemed cost for its land located at Sidheegram, Dist. - Gir Somnath, Gujarat - 362 276 in accordance with para D5 of Ind AS 101. The impact of net increase in freehold land of ₹ 25,841.88 lacs, after considering Defererd Tax Liability of ₹ 5,827.75 lacs thereon, is reflected in Retained Earnings.

(b) Leasehold land is acquired for mining purpose by the Company. The land cannot be sold without permission of the Collector.

(c) Two residential flats in Mumbai of the Company have been mortgaged to HDFC Bank Limited as security for providing Bank Guarantees and Letters of Credit to the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
3	**Investments : Non-current**			
	Investments measured at Cost			
	In Equity Instruments of Associate*			
	Quoted			
	1,41,58,267 Equity shares of Saurashtra Cement Limited of ₹ 10 each **	**-**	10,173.50	10,021.09
	Investments measured at Amortised cost			
	In Government Securities			
	Unquoted			
	6 Years National Savings Certificates	**0.14**	0.14	0.14
	(Kept as security deposit with Government authorities)			
	Investments measured at Fair Value through Other Comprehensive Income			
	In Equity Instruments of Others			
	Quoted			
	1,36,58,267 Equity shares of Saurashtra Cement Limited of ₹ 10 each **	**9,492.50**	-	-
	Unquoted			
	21,20,000 (As at March 31, 2017 : 20,91,000 and as at April 1, 2016 : 1,59,000) Equity Shares of OPGS Power Gujarat Pvt. Ltd. of ₹ 0.10 each	**4.03**	3.79	0.30
		9,496.67	10,177.43	10,021.53
	Aggregate amount of			
	Quoted Investments	**9,492.50**	10,173.50	10,021.09
	Unquoted Investments	**4.17**	3.93	0.44
	Impairment in value of Investments	**-**	-	-
		9,496.67	10,177.43	10,021.53
	Aggregate Market Value of Quoted Investments	**9,492.50**	8,544.51	8,707.33

* Investment in Equity Instruments of Associate includes ₹ 28,05,11,065 towards Goodwill on the acquisition of shares of the Associate.

** i. Investment in Equity Shares of Saurashtra Cement Limited ceases to be an associate w.e.f. October 05, 2017. Therefore, it is valued at cost upto March 31, 2017 and at FVTOCI as at March 31, 2018.

ii. Refer Notes 18 and 21 for information on investment in Equity Shares of Saurashtra Cement Limited pledged as security.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
4	**Loans : Non-current**			
	Unsecured			
	Considered Good			
	Security Deposits	**718.11**	837.26	844.49
	Staff Loans	**12.57**	22.64	30.13
		730.68	859.90	874.62
	Considered Doubtful			
	Other Loans and advances	**323.92**	323.92	323.92
		1,054.60	1,183.82	1,198.54
	Less : Provision for Doubtful Advance	**323.92**	323.92	323.92
		730.68	859.90	874.62

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
5	**Other Financial Assets : Non-current**			
	Fixed Deposits with Bank maturing after 12 months			
	Held as Margin money	**63.66**	71.64	150.20
	Held as Security against Overdraft facilities (Refer Note 21)	**706.49**	250.00	620.78
	Others	**2.40**	2.40	-
		772.55	324.04	770.98
	Deposits with others	**0.01**	0.01	0.01
		772.56	324.05	770.99

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
6	**Current Tax Assets (net) : Non-current**			
	Taxes paid (Net of Provision of ₹ Nil, as at March 31, 2017 : ₹ Nil, as at April 1, 2016 : ₹ 5.24 lacs)	**145.36**	191.92	288.25
		145.36	191.92	288.25

		As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
7	**Other Non-current assets**			
	Capital Advances	**31.70**	658.36	71.54
	Advances other than Capital Advances			
	Pre-deposit with Government Authorities against Appeals	**95.44**	89.69	86.84
	VAT Receivable	**-**	-	5.51
		127.14	748.05	163.89

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
8 Inventories			
Raw Materials	**223.46**	489.61	323.54
Raw Materials-in-transit	**30.93**	360.74	6.30
Packing Materials	**92.25**	89.45	59.55
Work-in-progress	**1,719.74**	2,492.45	1,918.26
Finished goods	**155.21**	216.87	793.02
Stores and Spares	**1,011.98**	1,049.48	1,244.67
Stores and Spares-in-transit	**2.37**	58.56	20.77
Fuel	**502.80**	87.47	229.89
Fuel-in-transit	**851.92**	763.85	661.02
	4,590.66	5,608.48	5,257.02

The cost of inventories recognised as an expense during the year is disclosed in Notes 28 and 29.
The cost of inventories recognised as an expense includes ₹ Nil (Previous year : ₹ 13.58 lacs) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous year.
For mode of valuation of inventories : Refer Note 1.7

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
9 Trade Receivables			
Unsecured			
Considered Good			
Amount Receivable from a Related Party [(Refer Note 39.2(B)(ii)]	**43.39**	-	23.25
Others	**1,150.11**	872.08	1,207.63
	1,193.50	872.08	1,230.88
Considered Doubtful	**23.07**	48.23	50.60
	1,216.57	920.31	1,281.48
Less : Provision for Doubtful Debts	**23.07**	48.23	50.60
	1,193.50	872.08	1,230.88

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
10 Cash and Cash Equivalents			
Balances with Banks in Current Accounts	**949.91**	346.15	531.20
Cash on Hand	**-**	-	1.06
	949.91	346.15	532.26

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

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017. The adoption of the amendment did not have any material impact on the financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

For the year ended March 31, 2018	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
Short-term Borrowings	**2,042.70**	**(1,332.47)**	**-**	**710.23**
Long-term Borrowings (including Current maturities)	**1,395.76**	**2,673.82**	**-**	**4,069.58**
Unpaid Dividend	**14.34**	**(0.01)**	**-**	**14.33**
Deposits held as margin money	**3,697.84**	**(443.53)**	**-**	**4,141.37**

Note : Figures in bracket indicates cash outflows.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
11 Bank Balances other than Cash and Cash Equivalents			
Deposits with Banks (Maturity below 12 months from the date of Balance Sheet)			
Held as Margin money	**499.06**	694.95	84.40
Held as Security against Overdraft facilities (Refer Note 21)	**2,848.36**	2,664.32	2,235.82
Others	**6.88**	-	500.00
	3,354.30	3,359.27	2,820.22
Earmarked Balances			
For Unpaid Equity Dividend	**14.33**	14.34	14.35
For Money received on sale of fractional shares	**0.19**	0.19	0.19
	14.52	14.53	14.54
	3,368.82	3,373.80	2,834.76

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
12 Loans : Current			
Unsecured			
Considered Good			
Staff Loans	**13.96**	15.65	16.82
Other Loans and advances	**60.25**	10.25	11.50
	74.21	25.90	28.32

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
13 Other Financial Assets : Current			
Interest Accrued on Fixed Deposits	**129.90**	187.42	137.09
	129.90	187.42	137.09

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
14 Current Tax Assets (net) : Current			
TDS (A.Y. 2016-17)	**-**	-	0.27
	-	-	0.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
15 Other Current assets			
Unsecured			
Considered Good			
Advance against purchase of Stores and Spares	**153.17**	111.93	113.16
Advance against purchase of Shares	**-**	-	3.49
Advance Royalty on Limestone / Marl	**181.31**	119.48	145.85
Balances with Statutory / Government Authorities	**33.04**	277.85	206.16
Prepaid Expenses	**79.58**	39.33	69.86
Others (Refer Note 15.1)	**54.03**	70.13	311.18
	501.13	618.72	849.70
Considered Doubtful			
Advance against purchase of Stores and Spares	**4.24**	5.61	4.40
	505.37	624.33	854.10
Less : Provision for Doubtful Advance	**4.24**	5.61	4.40
	501.13	618.72	849.70

15.1 Others, as at April 1, 2016, includes sum of ₹ 120.80 lacs recoverable from Executive Vice Chairman being excess remuneration for the year 2013-14 in terms of approval of Central Government.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
16 Equity Share Capital			
a. Authorised :			
50,00,00,000 Equity Shares of ₹ 10 each	**50,000.00**	50,000.00	50,000.00
b. Issued :			
14,48,16,075 Equity Shares of ₹ 10 each	**14,481.61**	14,481.61	14,481.61
c. Subscribed :			
8,62,06,932 Equity Shares of ₹ 10 each	**8,620.69**	8,620.69	8,620.69
d. Paid up :			
8,61,53,852 Equity Shares of ₹ 10 each, fully paid up	**8,615.39**	8,615.39	8,615.39
Add : Forfeited Shares	**5.30**	5.30	5.30
Total Share Capital	**8,620.69**	8,620.69	8,620.69

e. Rights, preferences and restrictions :

i. The Company has only one class of Equity Shares referred to as Equity Shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.

ii. The Company declares and pays dividend in Indian rupees. Final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the ensuing Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.

iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

iv. In respect of Share based payments (ESOP) granted to the employees during the year - refer Note 41.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**₹ in lacs**	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
f. Shares of Company held by its Parent :						
Bhadra Textiles and Trading Private Limited	**48,800,000**	**4,880.00**	48,800,000	4,880.00	48,800,000	4,880.00

g. Details of shares in the Company held by each shareholder holding more than 5 per cent shares :

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of share holding	No. of shares	% of share holding	No. of shares	% of share holding
S. No. Name of the Shareholder						
i. Bhadra Textiles and Trading Private Limited	**48,800,000**	**56.64**	48,800,000	56.64	48,800,000	56.64
ii. GIIC Limited	**8,252,697**	**9.58**	8,252,697	9.58	8,252,697	9.58

h. Reconciliation of No. of Equity shares and Paid up Equity Share Capital :

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**₹ in lacs**	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Balance as at the beginning of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39		
Add : Changes during the year	**-**	**-**	-	-		
Balance as at the end of the year	**86,153,852**	**8,615.39**	86,153,852	8,615.39	86,153,852	8,615.39

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
17 Other Equity			
i. Reserves and Surplus			
a. Capital Reserve			
Govt. Subsidy	**26.95**	26.95	26.95
Capital Reduction Account	**6,921.68**	6,921.68	6,921.68
On Consolidation	**8.58**	8.58	8.58
	6,957.21	6,957.21	6,957.21
b. Share Options Outstanding			
Balance as at the beginning of the year	**-**	-	
Add : Employee Stock Options Granted	**78.37**	-	
Less : Employee Stock Options Exercised	**-**	-	
	78.37	-	-
c. Retained Earnings			
Balance as at the beginning of the year	**20,703.47**	23,841.12	
Add/(Less) : Profit / (Loss) for the year	**4,492.95**	(3,103.79)	
Add/(Less) : Remeasurement gain / (loss) on defined benefit plan	**8.27**	(33.86)	
	25,204.69	20,703.47	23,841.12
ii. Equity Instruments through Other Comprehensive Income			
Balance as at the beginning of the year	**11.70**	-	
Add/(Less) : Movement during the year	**(1,372.60)**	11.70	
	(1,360.90)	11.70	-
	30,879.37	27,672.38	30,798.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

a. Capital Reserve

It represent gains of capital nature. Capital reserve is mainly on account of reduction of paid up capital of Company in earlier year in pursuance of Hon'ble BIFR order. It also consists of Govt. Subsidy received by Company in earlier years and reserve arising on consolidation.

b. Share Options Outstanding

The Company has Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017) under which options to subscribe for the Company's shares have been granted to the senior management and executives from middle management. This reserve is used to recognise the value of equity settled share-based payments provided to option grantees. Refer Note 41 for further details of the plan.

c. Retained Earnings

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

d. Equity Instruments through Other Comprehensive Income

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

	Non-current			Current maturities of Long-term borrowings *		
	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
18 Borrowings : Non-current						
Secured						
Term Loans						
From Bank	**3,240.89**	1,266.87	259.86	**802.50**	95.48	72.26
From Other Parties	**18.26**	26.19	33.42	**7.93**	7.22	19.00
	3,259.15	1,293.06	293.28	**810.43**	102.70	91.26

* Amounts disclosed under the head 'Other Financial Liabilities : Current' (Note 23)

18.1 Security and Repayment Terms :

i. Term Loan from HDFC Bank Limited obtained by Company is secured by exclusive First charge on Plant and Machinery including Waste Heat Recovery Power Plant and Current Assets of the Company. This is further secured by personal guarantee of one of the Promoter Directors of the Company, Corporate guarantee of Subsidiary Company and pledge of One Crore Equity Shares of Saurashtra Cement Limited held by Subsidiary Company. The Term Loan is repayable in 22 Quarterly Instalments starting from May 2018 and interest @ 10% p.a. is payable every month.

ii. Term loans from Banks/other parties obtained by Company 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 8% to 10% p.a.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
19 Provisions : Non-current			
For Employee Benefits (Refer Note 37)			
Gratuity	**782.33**	765.99	707.83
Compensated absences	**287.22**	285.92	253.14
	1,069.55	1,051.91	960.97

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
20 Deferred Tax Liabilities (net)			
Tax effect of items constituting Deferred Tax Assets (Refer Note 34)	**3,690.19**	2,993.26	2,644.06
Tax effect of items constituting Deferred Tax Liabilities (Refer Note 34)	**7,837.28**	7,433.20	7,258.56
Deferred Tax Liability (net)	**4,147.09**	4,439.94	4,614.50

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
21 Borrowings : Current			
Secured			
Loans repayable on demand			
From banks - Overdraft	**560.23**	1,447.70	1,485.82
From others	**-**	400.00	600.00
Unsecured			
Loan repayable on demand from others	**150.00**	195.00	-
	710.23	2,042.70	2,085.82

The overdraft from bank obtained by the Company is secured against lien of FDRs of ₹ 3,554.85 lacs (As at March 31, 2017 : ₹ 2,914.32 lacs, as at April 1, 2016 : ₹ 2,856.60 lacs) of the Company - refer Notes 5 and 11.

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

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
22 Trade Payables			
Due to Related Party [Refer Note 39.2(B)(ii)]	**-**	136.80	-
Due to Micro and Small enterprises	**40.49**	117.07	1.86
Due to others	**7,110.53**	8,768.03	5,622.10
	7,151.02	9,021.90	5,623.96

Additional disclosure in respect of dues to Micro, Small and Medium enterprises :

i.	Principal amount remaining unpaid and interest thereon	**40.49**	121.48	1.86
ii.	Interest paid in terms of Section 16	**-**	-	-
iii.	Interest due and payable for the period of delay in payment	**-**	4.41	-
iv.	Interest accrued and remaining unpaid	**-**	4.41	-
v.	Interest due and payable even in succeeding years	**-**	-	-

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
23 Other Financial Liabilities : Current			
Current maturities of Long-term borrowings *			
Term Loans			
From Banks	**802.50**	95.48	72.26
From Others	**7.93**	7.22	19.00
Unpaid Dividend	**14.33**	14.34	14.35
Unclaimed money against sale of fractional shares	**0.19**	0.19	0.19
Security Deposits from Customers / Transporters	**636.35**	540.32	569.16
Security Deposits - Others	**8.45**	4.98	4.98
Remuneration Payable to Key Managerial Personnel [Refer Note 39.2(B)(i)(a&b)]	**60.06**	248.74	17.13
Liabilities for expenses at the year-end	**1,112.03**	1,445.27	1,354.74
Others	**61.82**	57.94	68.95
	2,703.66	2,414.48	2,120.76

* Refer Note 18.1 for security given.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
24 Other Current Liabilities			
Advance from Customers	**2,480.13**	1,718.47	1,222.03
Statutory Dues	**2,832.62**	2,856.57	2,795.68
	5,312.75	4,575.04	4,017.71

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
25 Provisions : Current			
For Employee Benefits (Refer Note 37)			
Gratuity	**150.75**	83.20	68.70
Compensated absences	**102.70**	81.18	72.35
Others			
Provision for Taxation	**185.71**	0.21	-
Less : Taxes Paid	**56.09**	-	-
	129.62	0.21	-
	383.07	164.59	141.05

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
26 Revenue from Operations		
Sale of Products		
Cement	**50,013.30**	47,359.16
Clinker	**5,387.79**	1,814.76
Other Operating Revenues		
Scrap Sales	**54.23**	87.49
Railway claim	**0.67**	-
Export Entitlement	**-**	8.52
	55,455.99	49,269.93

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

26.1 The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity. Consequently, sales for the year ended March 31, 2018 are presented net of GST. Sales for the year ended March 31, 2017 includes excise duty which now is subsumed in GST. Sales for the year ended March 31, 2018 includes excise duty upto June 30, 2017. Accordingly, sales for the year ended March 31, 2018 and March 31, 2017 are not comparable.

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
27 Other Income		
Interest Income on		
Fixed Deposits with Banks	**281.15**	291.92
Financial Assets measured at amortised cost	**3.58**	4.69
Others	**43.24**	56.42
	327.97	353.03
Insurance claim	**37.45**	11.48
Profit on Sale of Property, Plant and Equipment	**8.56**	-
Provision no longer required written back (Refer Note 27.1)	**565.22**	131.11
Provision for Doubtful Debts written back	**25.16**	7.52
Sundry credit balances written back	**16.74**	0.02
Exchange Rate Fluctuation	**76.34**	96.87
Sales Tax refund	**-**	1.02
Profit on disassociation of associate	**551.27**	-
Miscellaneous Income	**93.91**	20.25
	1,702.62	621.30

27.1 The Hon'ble Supreme Court vide its order dated October 13, 2017, has held applicability of District Mineral Fund (DMF) under Mines and Mineral (Development and Regulations) Amendment Act, 2015 with effect from September 17, 2015. Accordingly, the Company has written back the provision for contribution to DMF of ₹ 261.01 lacs relating to the period before September 17, 2015, in the year ended March 31, 2018. Further, it includes reversal of remuneration of ₹ 232.53 lacs to Executive Vice Chairman provided in Financial Year 2016-17 as it is no longer payable due to inadequacy of profit.

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
28 Cost of Materials Consumed		
Raw Materials		
Opening Stock	**850.35**	329.84
Add : Purchases	**2922.65**	6200.07
Less : Closing Stock	**254.39**	850.35
	3,518.61	5,679.56
Royalty, Cess and Limestone raising cost		
Limestone raising and Transportation	**1,618.31**	1,064.65
Royalty	**1,218.67**	842.37
Welfare cess	**-**	1.16
District Mineral Fund (DMF) and others	**389.97**	284.76
	3,226.95	2,192.94
Packing Materials		
Opening Stock	**89.45**	59.55
Add : Purchases	**1,586.24**	1,780.12
Less : Closing Stock	**92.25**	89.45
	1,583.44	1,690.67
	8,329.00	9,563.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
29 Changes in inventories of finished goods and work-in-progress		
Opening Stock		
Finished Goods	**216.87**	793.02
Work-in-progress	**2,492.45**	1,918.26
Closing Stock		
Finished Goods	**155.21**	216.87
Work-in-progress	**1,719.74**	2,492.45
	834.37	1.96

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
30 Employee Benefits Expenses		
Salaries and Wages	**3,052.61**	3,032.41
Share based payments to employees (Refer Note 41)	**78.37**	-
Contribution to provident and other funds	**205.13**	208.23
Gratuity Expense	**140.18**	97.02
Staff Welfare Expense	**94.04**	81.47
	3,570.33	3,419.13

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
31 Finance Costs		
Interest Expense		
On Borrowings	**215.01**	221.66
On Duties and Taxes	**64.92**	64.55
On Others	**60.08**	108.90
Other Borrowing Costs	**0.20**	0.18
	340.21	395.29

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
32 Other Expenses		
Power and Fuel	**20,566.10**	18,606.68
Consumption of Stores and Spares	**1,644.45**	2,066.35
Repair and Maintenance		
Buildings	**87.94**	123.08
Machinery	**818.33**	841.92
Others	**348.88**	540.98
	1,255.15	1,505.98

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
32 Other Expenses (contd.)		
Cement Packing Expenses	**447.12**	446.00
Insurance	**90.24**	82.66
Rent	**185.39**	192.95
Rates and Taxes	**35.72**	36.93
Travelling and Conveyance Expenses	**105.81**	204.85
Legal and Professional Charges	**190.68**	181.73
Freight Outward	**10,247.39**	6,982.70
Commission	**1,065.20**	1,118.44
Advertisement and Sales Promotion Expenses	**870.76**	953.43
Payments to the Auditors		
For Statutory Audit	**12.12**	8.37
For Tax Audit	**2.00**	2.02
For Other services	**3.92**	4.62
For Reimbursement of expenses	**2.37**	3.56
	20.41	18.57
Directors' Sitting Fees	**33.50**	22.60
Loss on Sale / Discard of Property, Plant and Equipment	**-**	5.75
Bad Debts written off	**7.22**	7.06
Provision for Doubtful Debt and Advances	**-**	6.36
Miscellaneous Expenses	**839.87**	851.37
	37,605.01	33,290.41

33 Since the average net profit of the Company for preceding three financial years is negative, the amount to be spent on Corporate Social Responsibility (CSR) activities under the Companies Act, 2013 has been Nil.

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
34 Disclosure pursuant to Ind AS 12 on "Income Taxes"		
34.1 Components of Tax expenses / (income)		
a. Profit or Loss section		
i. Current Income Tax		
In respect of current year	**185.49**	0.31
Total current income tax	**185.49**	0.31
ii. Deferred Tax		
In respect of current year origination and reversal of temporary difference	**(135.32)**	(160.40)
In respect of earlier years	**-**	-
MAT credit entitlement	**(162.40)**	-
Total Deferred Tax	**(297.72)**	(160.40)
Income Tax expense / (income) reported in the Profit or Loss section	**(112.23)**	(160.09)
b. Other Comprehensive Income section		
Net loss / (gain) on Remeasurements of Defined Benefit Plans	**4.45**	(15.34)
Income Tax expense / (income) reported in Other Comprehensive Income section	**4.45**	(15.34)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
34.2 Reconciliation of Income Tax expense / (income) and Accounting Profit multiplied by domestic tax rate applicable in India		
Profit / (loss) before tax	**3,707.87**	(3,548.47)
Applicable Tax Rate	**20.389%**	19.055%
Tax on Accounting Profit *	**755.99**	-
Tax effect of :		
Deductible items	**(5.41)**	-
Non deductible items	**7.00**	-
Brought forward unabsorbed depreciation	**(496.79)**	-
Profit on sale of shares in Subsidiary Company	**23.09**	-
Profit on disassociation of Associate Company (Not taxable)	**(112.40)**	-
Others	**14.01**	0.31
Current Tax Provision (A)	**185.49**	0.31
Deferred Tax Liability recognised	**404.08**	174.64
Deferred Tax Asset recognised	**(539.40)**	(335.04)
MAT Credit entitlement	**(162.40)**	-
Deferred Tax (B)	**(297.72)**	(160.40)
Tax expense / (income) recognised in Consolidated Statement of Profit and Loss (A+B)	**(112.23)**	(160.09)
Effective Tax Rate	**-3.03%**	4.51%

* In view of loss, Tax on Accounting Profit is Nil for the year ended March 31, 2017.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
34.3 Components of Deferred Tax			
a. Deferred Tax Assets :			
Fair Valuation of Financial Assets	**-**	-	9.31
Accrued Expenses deductible on cash basis	**642.98**	637.74	503.20
Provision for Doubtful Debts and Advances	**122.73**	116.73	118.62
Unused tax losses (Refer Note 34.4)			
Business Loss	**401.93**	-	-
Unabsorbed Depreciation	**1,047.92**	926.56	700.70
Unused tax credit - MAT Credit Entitlement (Refer Note 34.4)	**1,474.63**	1,312.23	1,312.23
	3,690.19	2,993.26	2,644.06
b. Deferred Tax Liabilities :			
Fair Valuation of Financial Assets	**108.80**	102.94	-
Fair Valuation of Financial Liabilities	**-**	-	9.31
Property, Plant and Equipment and Intangible Assets	**7,728.48**	7,330.26	7,249.25
	7,837.28	7,433.20	7,258.56
Deferred Tax Liability (net)	**4,147.09**	4,439.94	4,614.50

34.4 The Company has recognised Deferred Tax Asset on carry forward of unused tax losses and unused tax credit as the Management expects that there will be sufficient taxable income in view of improved demand for Cement and installation of Waste Heat Recovery Power Plant which will result into saving in cost of power. Consequently, the unused tax losses and unused tax credit will be utilised against the tax payable on income computed under normal provisions of the Income Tax Act, 1961 in forseeable future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
35 Contingent liabilities			
(to the extent not provided for)			
Claims against the Company not acknowledged as debt - matters under disputes / appeals :			
i. Excise duty on Cement	**1,230.28**	1,230.28	1,205.57
ii. Custom Duty on Coal	**74.09**	74.09	74.09
iii. Service Tax	**150.61**	150.61	13.93
iv. Sales Tax / VAT	**449.51**	449.51	449.51
v. Income Tax	**-**	-	1.50
vi. Octroi	**38.49**	38.49	140.98
vii. Claims filed by workmen or their union against the Company	**3.00**	-	-
viii. House Tax	**82.79**	-	-
ix. Land Compensation	**459.38**	-	-
x. Unauthorised Mining	**-**	759.00	759.00
xi. Others	**17.50**	17.62	33.92

Notes :

i. The Company does not expect any reimbursement in respect of the above contingent liabilities.

ii. It is not practicable to estimate the timing of cash outflows, if any, in respect of above matters pending resolution of the appellate proceedings.

iii. The amounts stated are including interest and penalty, to the extent demanded.

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
36 Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 31.70 lacs; As at March 31, 2017 : ₹ 637.83 lacs, as at April 1, 2016 : ₹ 70.78 lacs)	**179.62**	3,592.48	189.33

37 Disclosure pursuant to Ind AS 19 on "Employee benefits"

37.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating to ₹ 205.13 lacs (Previous year: ₹ 208.23 lacs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense. (Refer Note 30)

37.2 Defined Benefit Plan : Gratuity (Unfunded)

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

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

Gratuity is paid by the Company as and when it becomes due and is paid as per the scheme for Gratuity.

* During the year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from ₹ 10 lacs to ₹ 20 lacs. Change in liability due to this scheme change is recognised as Past Service Cost.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37.3 Risk to the Plan

i. Actuarial Risk :

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

ii. Asset Liability Matching Risk :

The plan faces the ALM risk as to the matching cash flow. The Company manages the cash flow based on its own liquidity as and when it becomes due.

iii. Liquidity Risk :

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

iv. Market Risk :

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

v. Legislative Risk :

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The Government may amend the Payment of Gratuity Act, 1972; thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
		Gratuity Unfunded	Gratuity Unfunded
37.4 i.	**Changes in Present Value of Obligations**		
	Present Value of Obligation at the beginning	**849.18**	776.53
	Current Service Cost	**37.80**	34.98
	Past Service Cost	**38.61**	-
	Interest Cost	**63.77**	62.04
	Actuarial (Gain) / Loss due to :		
	- Change in Financial Assumptions	**(2.06)**	20.39
	- Experience Changes	**(11.72)**	25.29
	Benefits paid	**(42.50)**	(70.05)
	Present Value of Obligation as at the end	**933.08**	849.18
ii.	**Amount recognised in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	**37.80**	34.98
	Past Service Cost	**38.61**	-
	Interest Cost	**63.77**	62.04
		140.18	97.02

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
	Gratuity Unfunded	Gratuity Unfunded
iii. Amount recognised in Other Comprehensive Income		
Components of Actuarial (Gain) / Loss :		
Change in Financial Assumptions	**(2.06)**	20.39
Experience Changes	**(11.72)**	25.29
	(13.78)	45.68
iv. Sensitivity Analysis for significant assumptions *		
Increase/(Decrease) on present value of defined benefit obligations at the end of the year		
1% increase in discount rate	**(39.18)**	(41.45)
1% decrease in discount rate	**43.15**	45.73
1% increase in salary escalation rate	**42.66**	46.19
1% decrease in salary escalation rate	**(39.45)**	(42.59)
1% increase in employee turnover rate	**4.54**	4.59
1% decrease in employee turnover rate	**(4.99)**	(5.02)

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
	Gratuity Unfunded	Gratuity Unfunded	Gratuity Unfunded
v. Amount recognised in Consolidated Balance Sheet			
Gross value of Present Obligation at the end	**933.08**	849.18	776.53
vi. Maturity Profile of the Defined Benefit Obligation			
1st Following Year (Within next 12 months)	**150.75**	83.20	68.70
2nd Following Year	**103.36**	60.64	34.51
3rd Following Year	**104.92**	118.54	91.04
4th Following Year	**134.48**	97.08	88.10
5th Following Year	**139.83**	128.63	76.37
Sum of Years 6 to 10	**435.48**	471.68	540.82
vii. Assumptions			
Mortality Table - Indian Assured Life Mortality 2006-08	**2006-08**	2006-08	2006-08
Discount Rate	**7.56%**	7.51%	7.99%
Rate of increase in compensation levels	**5.50%**	5.50%	5.50%
Attrition Rate	**2.00%**	2.00%	2.00%
viii. Weighted average duration of Defined Benefit Obligation	**6 Years**	7 Years	7 Years

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

x. Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

xi. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

* The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

38 Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Managing Director in the Company to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of manufacturing of Cement and Clinker, which is the only operating segment as per Ind AS 108.

39 Disclosure pursuant to Ind AS 24 on "Related Party Disclosures"

39.1 List of related parties :

i. Parent :

Bhadra Textiles and Trading Private Limited

ii. Ultimate Controlling Party :

Galaxy Technologies Private Limited

iii. Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Share Capital :

a. Ria Holdings Ltd.
b. Pranay Holdings Ltd.
c. Reeti Investments Private Ltd.
d. Prachit Holdings Ltd.
e. Sumaraj Holding Private Ltd.
f. Sunnidhi Trading Private Ltd.
g. Shree Anandeya Investment Pvt. Ltd.
h. Sameta Export Private Ltd.
i. Pallor Trading Company Private Ltd.
j. The Arj Investments Limited
k. Treasurer's Trading Limited
l. GIIC Limited
m. Samja Mauritius Limited
n. Mehta Investments Pte Limited

iv. List of Key Management Personnel with whom transactions were carried out during the year :

a.	Mr. M. N. Mehta	Chairman
b.	Mr. Jay Mehta	Executive Vice Chairman
c.	Mr. M. S. Gilotra	Managing Director
d.	Mrs. Juhi Chawla Mehta	Non-Executive Director
e.	Mr. Hemnabh R. Khatau	Non-Executive Director
f.	Mr. Venkatesh Mysore	Non-Executive Director
g.	Mr. Y. K. Vyas	Non-Executive Director
h.	Mr. S. V. S. Raghavan	Independent Director
i.	Mr. M. L. Tandon	Independent Director
j.	Mr. P. K. Behl	Independent Director
k.	Mrs. Bhagyam Ramani	Independent Director
l.	Mr. M. N. Rao	Independent Director
m.	Mr. Bimal R. Thakkar	Independent Director
n.	Mr. Kailash N. Bhandari	Independent Director

v. Enterprise having Key Management Personnel in common :

a. Saurashtra Cement Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

39.2 Transactions and Balances with related parties :

A Transactions with related parties :

i. Compensation paid to Key Management Personnel :

Key Management Personnel	For the Year ended March 31, 2018 ₹ in lacs		For the year ended March 31, 2017 ₹ in lacs	
	Short-term employee benefits	**Share-based payment**	Short-term employee benefits	Share-based payment
Mr. Jay Mehta (Refer Note a and c below)	**37.05**	**-**	249.81	-
Mr. M. S. Gilotra (Refer Note a and b below)	**202.22**	**108.55**	141.36	-

a. As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

b. The amount represents fair value of employee stock options granted during the year 2017-18 to be vested over a period of three years in terms of ESOS 2017.

c. 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. The Company has made application to the Central Government for approval of excess remuneration. Pending approval of the Central Government, an amount of ₹ 163.44 lacs for the year 2015-16 is held in trust by him.

	For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
ii. Transactions with Key Management Personnel :		
a. Directors sitting fees	**33.50**	22.60
iii. Transactions with Saurashtra Cement Limited :		
a. Purchase of goods and materials	**29.59**	559.80
b. Sale of goods, materials and power	**722.97**	256.28
c. Expenses / (Recovery) for services (net)	**20.09**	61.91

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
B Outstanding Balances as at the year-end			
i. **Balances with Key Management Personnel :**			
a. Remuneration payable to Mr. M S Gilotra	**22.81**	16.01	16.93
b. Remuneration payable to Mr. Jay M Mehta	**37.25**	232.73	0.20
c. Remuneration recoverable from Mr. Jay M Mehta	**-**	-	120.80
ii. **Balance with Saurashtra Cement Limited :**			
a. Outstanding Receivable / (Payable)	**43.39**	(136.80)	23.25

C Terms and conditions of transactions and balances with related parties :

i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

iii. There have been no guarantees provided or received for any related party transaction.

iv. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40 Capital Management

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

For the purpose of the Group's Capital Management, debt includes both current and non-current (including current maturities) borrowings and equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group.

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

	As at March 31, 2018 ₹ in lacs	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Total Debt (A)	**4,779.81**	3,438.46	2,470.36
Total Equity (B)	**39,500.06**	36,293.07	39,419.02
Gross Debt Equity Ratio (A/B)	**0.12**	0.09	0.06

41 Disclosure pursuant to Ind AS 102 on "Share-based Payment"

41.1 Gujarat Sidhee Employee Stock Option Scheme 2017

During the year, Gujarat Sidhee Employee Stock Option Scheme 2017 (ESOS 2017) was approved by the Shareholders at the Annual General Meeting held on July 25, 2017. The Nomination and Remuneration Committee at its meeting held on February 08, 2018 has approved grant of Stock Options under ESOS 2017 to the senior management and executives from middle management for their performance and to motivate them to contribute to the growth and profitability of the Company as also to retain them. Each option carries the right to the holder to apply for one equity share of the Company at par. The salient features of the Scheme are as below :

Particulars	**Details**
No. of Options	36,47,779
Date of Grant	February 08, 2018
Exercise Price (₹ per share)	10
Vesting Schedule	Graded Vesting: i) 33% of Options granted to be vested at 1st anniversary from the date of grant. ii) 33% of Options granted to be vested at 2nd anniversary from the date of grant. iii) 34% of Options granted to be vested at 3rd anniversary from the date of grant.
Exercise Period	5 years from the date of respective vesting
Fair Value on the date of Grant of Option (₹ per share)	24.16 (Vest 1), 24.87 (Vest 2), 26.53 (Vest 3) 25.20 (per Option)
Method of Settlement	Equity

41.2 Movement in Options Granted under ESOS 2017

Particulars	**As at March 31, 2018 Nos**	As at March 31, 2017 Nos
Outstanding at the beginning of the year	**-**	-
Granted during the year	**3,647,779**	-
Exercised during the year	**-**	-
Forfeited / lapsed during the year	**-**	-
Outstanding at the end of the year	**3,647,779**	-
Options exercisable at the end of the year	**-**	-

Since the options are yet to vest, the question of its exercise does not arise and hence, the exercise price or weighted average exercise price of the option is not given. Weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 4 years and 4.5 months.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

41.3 Fair Valuation of Options Granted

The fair value of option have been done by an independent firm on the date of grant using the Black-Scholes Model. Black-Scholes Model takes into account exercise price, the term of the option, the market price of the share one day prior to the date of grant and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

1	Risk Free Rate	:	7.12% (Vest 1), 7.31% (Vest 2), 7.46% (Vest 3)
2	Option Life	:	Average of [Minimum Life (Vesting period) + Maximum Life (Vesting period + Exercise period)] which is 3.50 Years (Vest 1), 4.51 Years (Vest 2), 5.51 Years (Vest 3)
3	Expected Volatility	:	48.47% (Vest 1), 48.04% (Vest 2), 66.60% (Vest 3)
4	Dividend Yield	:	Nil

Expected volatility on the Company's stock price on Bombay Stock Exchange based on the data commensurate with the expected life of the option upto the date of grant.

41.4 Expenses arising from equity-settled share-based payments to employees debited to the Consolidated Statement of Profit and Loss is ₹ 78.37 lacs (Previous year: ₹ Nil)

42 Disclosure on Financial Instruments

42.1 Classification of Financial Assets and Liabilities

Particulars	Note	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Financial Assets at Cost :				
Investments	3	**-**	10,173.50	10,021.09
Financial Assets at Amortised cost :				
Trade Receivables	9	**1,193.50**	872.08	1,230.88
Loans	4 and 12	**804.89**	885.80	902.94
Investments	3	**0.14**	0.14	0.14
Cash and Bank Balances	10 and 11	**4,318.73**	3,719.95	3,367.02
Other Financial Assets	5 and 13	**902.46**	511.47	908.08
Financial Assets at Fair Value through Other Comprehensive Income :				
Investments	3	**9,496.53**	3.79	0.30
Total		**16,716.25**	16,166.73	16,430.45
Financial Liabilities at Amortised cost :				
Term Loan from Banks (Non-current)	18	**3,259.15**	1,293.06	293.28
Overdraft against lien of Bank Fixed Deposits	21	**710.23**	2,042.70	2,085.82
Trade payables	22	**7,151.02**	9,021.90	5,623.96
Other Financial Liabilities	23	**2,703.66**	2,414.48	2,120.76
Total		**13,824.06**	14,772.14	10,123.82

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

42.2 Fair Value Measurement

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

i. Receivables are evaluated by the Company based on history of past default as well as individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables, if required.

ii. The fair value of interest free loans given is estimated by discounting future cash flows using rates currently available for loans with similar terms, credit risk and remaining maturities.

iii. The fair values of quoted equity shares are derived from quoted market prices in active markets.

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

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

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

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

Particulars	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
Financial Assets at fair value through Other Comprehensive Income :			
Investments - Level 1	**9,492.50**	-	-
Investments - Level 3	**4.03**	3.79	0.30
Total	**9,496.53**	3.79	0.30

42.3 Financial Risk Management Framework

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

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Market Risk :

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

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

Foreign Exchange Risk :

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

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

Outstanding foreign currency exposure	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs
Trade Advances		
Euro	**4.34**	-

Foreign currency sensitivity on unhedged exposure :

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

Interest Rate Risk :

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

Interest rate exposure :

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

Commodity Price Risk :

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

Credit Risk Management :

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

Trade Receivables :

Customer credit is managed as per Group's established policies and procedures and control related to customer credit risk management. The Group has credit evaluation policy for each customer and based on the evaluation maximum exposure limit of each customer is defined. Deposits are taken from customers as per agreement with them. Wherever the Group assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit in addition to security deposits.

Outstanding receivable from customers is regularly monitored and if outstanding is above due date, further sales orders are controlled and can only be fulfilled if there is a proper justification. The Group does not have higher concentration of credit risks to a single customer.

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

Total Trade receivable as on March 31, 2018 is ₹ 1,216.57 Lacs (March 31, 2017 : ₹ 920.31 Lacs, April 1, 2016 : ₹ 1,281.48 Lacs)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

In view of above credit policy and considering past history of insignificant bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Group makes provision for doubtful debts based on specific identification. This is further substantiated by the fact that entire bad debt written off during the year ended March 31, 2018 and March 31, 2017 were fully provided for in earlier years. The Group will reassess the model periodically and make the necessary adjustments for loss allowance, if required. The movement in provision for doubtful debts is as below:

Particulars	**As at March 31, 2018 ₹ in lacs**	As at March 31, 2017 ₹ in lacs
Opening Provision	**48.23**	50.60
Add: Provided during the year	**-**	5.15
Less: Utilised / written back during the year	**25.16**	7.52
Closing Provision	**23.07**	48.23

Cash and Cash Equivalent and Bank Deposit :

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

Liquidity Risk :

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

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

₹ in lacs

As at March 31, 2018	**Less than 1 year / On demand**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings (including current maturities of long-term borrowings)	**1,520.66**	**2,907.40**	**351.75**	**4,779.81**
Trade payables	**7,151.02**	**-**	**-**	**7,151.02**
Other financial liabilities	**1,893.23**	**-**	**-**	**1,893.23**

₹ in lacs

As at March 31, 2017	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	2,145.40	1,293.06	-	3,438.46
Trade payables	9,021.90	-	-	9,021.90
Other financial liabilities	2,311.78	-	-	2,311.78

₹ in lacs

As at April 1, 2016	Less than 1 year / On demand	1 to 5 years	More than 5 years	Total
Borrowings (including current maturities of long-term borrowings)	2,177.08	293.28	-	2,470.36
Trade payables	5,623.96	-	-	5,623.96
Other financial liabilities	2,029.50	-	-	2,029.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

43. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2018:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	₹ in lacs	As % of Consolidated Profit or (Loss)	₹ in lacs	As % of Consolidated OCI	₹ in lacs	As % of Consolidated TCI	₹ in lacs
1	2	3	4	5	6	7	8	9
Parent :								
Gujarat Sidhee Cement Limited	76.22%	30,105.69	74.03%	3,326.23	-0.66%	9.01	106.60%	3,335.24
Subsidiary (Indian) :								
Villa Trading Company Pvt. Ltd	23.78%	9,394.37	25.97%	1,166.72	100.66%	(1,373.35)	-6.60%	(206.63)
Non-controlling interest	-	-	-	-	-	-	-	-
Joint Venture	-	-	-	-	-	-	-	-
Total	**100.00%**	**39,500.06**	**100.00%**	**4,492.95**	**100.00%**	**(1,364.34)**	**100.00%**	**3,128.61**

44 Disclosure pursuant to Ind AS 101 on "First-time Adoption of Indian Accounting Standards"

A Effect of Ind AS adoption on Consolidated Balance Sheet as at April 1, 2016

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	9,947.60	25,822.60	35,770.20
(b) Capital Work-in-progress		470.57	-	470.57
(c) Intangible Assets		46.72	-	46.72
(d) Financial Assets		-		
(i) Investments	2	9,827.97	193.56	10,021.53
(ii) Loans		874.62	-	874.62
(iii) Other Financial Assets		770.99	-	770.99
(e) Current Tax Assets (net)		288.25	-	288.25
(f) Other Non-current assets		163.89	-	163.89
Sub-total		22,390.61	26,016.16	48,406.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
Current Assets				
(a) Inventories	1(ii)	5,480.35	(223.33)	5,257.02
(b) Financial Assets				
(i) Trade Receivables		1,230.88	-	1,230.88
(ii) Cash and Cash Equivalents		532.26	-	532.26
(iii) Bank Balances other than (ii) above		2,834.76	-	2,834.76
(iv) Loans		28.32	-	28.32
(v) Other Financial Assets		137.09	-	137.09
(c) Current Tax Assets (net)		0.27	-	0.27
(d) Other Current assets		849.70	-	849.70
Sub-total		11,093.63	(223.33)	10,870.30
Total Assets		33,484.24	25,792.83	59,277.07
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		8,620.69	-	8,620.69
(b) Other Equity	1, 2 and 4	10,932.23	19,866.10	30,798.33
Sub-total		19,552.92	19,866.10	39,419.02
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		293.28	-	293.28
(b) Provisions		960.97	-	960.97
(c) Deferred Tax Liabilities (net)	4	(1,312.23)	5,926.73	4,614.50
Sub-total		(57.98)	5,926.73	5,868.75
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,085.82	-	2,085.82
(ii) Trade Payables		5,623.96	-	5,623.96
(iii) Other Financial Liabilities		2,120.76	-	2,120.76
(b) Other Current Liabilities		4,017.71	-	4,017.71
(c) Provisions		141.05	-	141.05
Sub-total		13,989.30	-	13,989.30
Total Equity and Liabilities		33,484.24	25,792.83	59,277.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B Effect of Ind AS adoption on Consolidated Balance Sheet as at March 31, 2017

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	9,512.35	26,258.28	35,770.63
(b) Capital Work-in-progress	1(ii)	2,343.06	(166.93)	2,176.13
(c) Intangible Assets		16.03	-	16.03
(d) Financial Assets				
(i) Investments	2	10,028.68	148.75	10,177.43
(ii) Loans		859.90	-	859.90
(iii) Other Financial Assets		324.05	-	324.05
(e) Current Tax Assets (net)		191.92	-	191.92
(f) Other Non-current assets		748.05	-	748.05
Sub-total		24,024.04	26,240.10	50,264.14
Current Assets				
(a) Inventories	1(ii)	5,652.23	(43.75)	5,608.48
(b) Financial Assets				
(i) Trade Receivables		872.08	-	872.08
(ii) Cash and Cash Equivalents		346.15	-	346.15
(iii) Bank Balances other than (ii) above		3,373.80	-	3,373.80
(iv) Loans		25.90	-	25.90
(v) Other Financial Assets		187.42	-	187.42
(c) Current Tax Assets (net)		-	-	-
(d) Other Current assets		618.72	-	618.72
Sub-total		11,076.30	(43.75)	11,032.55
Total Assets		35,100.34	26,196.35	61,296.69
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		8,620.69	-	8,620.69
(b) Other Equity	1, 2 and 4	7,228.20	20,444.18	27,672.38
Sub-total		15,848.89	20,444.18	36,293.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,293.06	-	1,293.06
(b) Provisions		1,051.91	-	1,051.91
(c) Deferred Tax Liabilities (net)	4	(1,312.23)	5,752.17	4,439.94
Sub-total		1,032.74	5,752.17	6,784.91
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,042.70	-	2,042.70
(ii) Trade Payables		9,021.90	-	9,021.90
(iii) Other Financial Liablities		2,414.48	-	2,414.48
(b) Other Current Liabilities		4,575.04	-	4,575.04
(c) Provisions		164.59	-	164.59
Sub-total		18,218.71	-	18,218.71
Total Equity and Liabilities		35,100.34	26,196.35	61,296.69

C Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended March 31, 2017

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
Revenue from Operations	5	43,735.65	5,534.28	49,269.93
Other Income	2 and 3(i)	758.19	(136.89)	621.30
Total Income		44,493.84	5,397.39	49,891.23
Expenses				
(a) Cost of Materials Consumed		9,563.17	-	9,563.17
(b) Changes in inventories of finished goods and work-in-progress		1.96	-	1.96
(c) Excise duty Expenses	5(ii)	-	5,830.84	5,830.84
(d) Employee Benefits Expenses	3(i) and 6	3,460.12	(40.99)	3,419.13
(e) Finance Costs		395.29	-	395.29
(f) Depreciation and Amortisation Expense	1(ii) and 1(iv)	875.73	63.17	938.90
(g) Other Expenses	1(ii) and 5(i)	34,098.52	(808.11)	33,290.41
Total Expenses		48,394.79	5,044.91	53,439.70
Profit/(Loss) before Tax		(3,900.95)	352.48	(3,548.47)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	Note	I-GAAP ₹ in lacs	Effect of transition to Ind AS ₹ in lacs	Ind AS ₹ in lacs
Tax Expense				
(a) Current Tax		0.31	-	0.31
(b) Deferred Tax	4	-	(160.40)	(160.40)
Total Tax Expense		0.31	(160.40)	(160.09)
Profit/(Loss) for the year before share in profits of Associate		(3,901.26)	512.88	(3,388.38)
Share in Profits of Associate		197.23	87.36	284.59
Profit/(Loss) for the year		(3,704.03)	600.24	(3,103.79)
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of Defined Benefit Plans	6	-	(49.20)	(49.20)
(b) Effect of measuring Equity Instruments on Fair Value	2	-	11.70	11.70
(c) Income Tax on above	4	-	15.34	15.34
Total Other Comprehensive Income for the year		-	(22.16)	(22.16)
Total Comprehensive Income for the year		(3,704.03)	578.08	(3,125.95)

D Effect of Ind AS adoption on Cash Flow Statement for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS except below:

Stores and spares which are consumed by Company during FY 2016-17 but satisfying recognition criteria of PPE are reversed from Consolidated Statement of Profit and Loss and is capitalised as PPE. Consequently, cash outflows from investing activities increased by ₹ 498.86 lacs and cash inflows from operating activites increased by equivalent amount.

E Statement of reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Sr. No.	Nature of adjustments	Note	₹ in lacs
	Net Profit / (Loss) as per Indian GAAP		(3,704.03)
i.	Depreciation and Amortisation on items of Property, Plant and Equipment	1(ii)	(61.93)
ii.	Actuarial Loss considered in Other Comprehensive Income	6	45.68
iii.	Deferred Tax (net)	4	160.40
iv.	Share of Profit and OCI of Associate	2	96.76
v.	Dividend received by Subsidiary Company	2	(141.55)
vi.	Items of spares in PPE, now recognised	1(ii)	511.52
vii.	Amortisation of lease hold land, now classified	1(iv)	(1.24)
	Total		609.64
	Net Profit / (Loss) as per Ind AS		(3,094.39)
	Other Comprehensive Income (net of tax)	6	(31.56)
	Total Comprehensive Income		(3,125.95)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

F Statement of reconciliation of Total Equity reported under Indian GAAP and under Ind AS

Sr. No.	Nature of adjustments	Note	As at March 31, 2017 ₹ in lacs	As at April 1, 2016 ₹ in lacs
	Total Equity as per Indian GAAP		15,848.89	19,552.92
i.	Recognition of fair value of freehold land	1(iii)	25,841.88	25,841.88
ii.	Increase in value of investment by Subsidiary in Associate	2	193.56	193.56
iii.	Deferred Tax (net)	4	(5,752.15)	(5,926.71)
iv.	Share of Profit and OCI of Associate	2	96.76	-
v.	Items of spares in PPE, now recognised	1(ii)	258.10	(191.47)
vi.	Others	1(iv) and 2	(193.97)	(51.16)
	Total		20,444.18	19,866.10
	Total Equity as per Ind AS		36,293.07	39,419.02

G Notes to the reconciliation of Consolidated Balance Sheet and Total Equity as at April 1, 2016 and March 31, 2017 and Consolidated Statement of Profit and Loss and Total Comprehensive Income for the year ended March 31, 2017

1 Property, Plant and Equipment

i. The Company has elected to measure items of Property, Plant and Equipment and Intangible Assets at Cost as per Ind AS 16 except freehold land which is measured at its fair value at the date of transition.

ii. As per the accounting policy on Property, Plant and Equipment (PPE), spare parts, stand-by equipment and service equipment are recognised as PPE when they meet the definition thereof and are material.

Stores and spares which are held in Inventory / CWIP and satisfying above criteria are de-recognised from Inventory / CWIP and capitalised as PPE from the date of purchase. Similarly stores and spares which are consumed and satisfying above criteria are reversed from Consolidated Statement of Profit and Loss and is capitalised as PPE.

Depreciation on capitalised stores and spares till the date of transition is accounted for in Retained Earnings and is charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2017.

iii. The Company has considered fair value as deemed cost for its land located at Sidheegram, Dist. - Gir Somnath, Gujarat - 362 276 in accordance with para D5 of Ind AS 101. The impact of net increase in freehold land of ₹ 25,841.88 lacs, after considering Defererd Tax Liability of ₹ 5,827.75 lacs thereon, is reflected in Retained Earnings.

iv. The Company has provided amortisation based on quantity of limestone / marl extracted during the year out of total deposit available for mining of its leasehold land of ₹ 83.16 lacs, now so classified.

2 Investments

Investment in Associate is accounted for using equity method. Accordingly, share in Profit and OCI of associate is accounted for in the Consolidated Statement of Profit and Loss and added to the carrying value of Investment accounted using equity method.

3 Loans / Other Financial assets / Other Current Assets

i. Under IGAAP, the Company had accounted for interest-free loan to employees at the undiscounted amount whereas under Ind AS, such financial assets are recognised at fair value on initial recognition and therefater at amortised cost.

ii. As per Schedule III, Security Deposits are to be classified either under Loans or Other Non-current/Current Assets. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets.

iii. Fixed deposit with maturity greater than twelve months shown in IGAAP under Other Non-current Assets have been reclassified as Other Non-current Financial Assets as per Schedule III to Companies Act, 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4 Deferred Tax

i. IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or profit and loss or other comprehensive income respectively.

ii. As per Ind AS 12, the Company has considered MAT Credit entitlement as deferred tax asset being unused tax credit.

5 Revenue from Operations

i. Under IGAAP, discounts other than cash discounts / rate differences directly attributable to sales were recognised as part of other expenses which are adjusted against the revenue under Ind AS during the year ended March 31, 2017.

ii. Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty is included in revenue from operations and shown separately as an expense.

6 Defined benefit liabilities

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Consolidated Statement of Profit and Loss. Under Ind AS, remeasurements, comprising of actuarial gains and losses are recognised immediately in the Consolidated balance sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income.

		For the year ended March 31, 2018 ₹ in lacs	For the year ended March 31, 2017 ₹ in lacs
45	**Earning Per Share:**		
	Weighted average number of equity shares of ₹ 10 each	**86,153,852**	86,153,852
	Net Profit / (Loss) after Tax	**4,492.95**	(3,103.79)
	Basic earnings per share (in ₹)	**5.22**	(3.60)
	Equity Shares to be allotted in future against grant of options to Employees under Employees Stock Option Scheme (ESOS) 2017, that could potentially dilute basic earning per share (EPS) in the future but are not included in the calculation of diluted EPS because they are antidilutive for the year.	**3,647,779**	-
	Diluted earnings per share (in ₹)	**5.22**	(3.60)

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

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 statements of subsidiaries

(₹ in Lacs)

Sl. No.	**1**
Name of the Subsidiary Company	**Villa Trading Company Pvt. Ltd.**
Financial Year ending on	**March 31, 2018**
Reporting Currency	Indian Rupee
Share capital	4,175.02
Reserves & Surplus	5,219.35
Total Assets	9,567.88
Total Liabilities	173.51
Investments	9,492.43
Turnover	254.84
Profit / (Loss) before taxation	220.51
Provision for taxation	23.09
Profit / (Loss) after taxation	197.42
Proposed Dividend	-
% of shareholding	100%

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

PARESH H. CLERK
Partner
Membership No. 36148
Mumbai, Dated May 25, 2018

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 25, 2018

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