



REPORTS AND ACCOUNTS OF SUBSIDIARY COMPANIES
AMBUJA CEMENTS LIMITED
ANNUAL REPORT 2013

CONTENT

1)	Chemical Limes Mundwa Private Limited	01 - 13
2)	M.G.T. Cements Private Limited	14 - 26
3)	Kakinada Cements Limited	27 - 38
4)	Dang Cements Industries Private Limited, Nepal	39 - 47
5)	Dirk India Private Limited	48 - 66
6)	Dirk Pozzocrete (MP) Private Limited	67 - 80

Directors' Report

TO THE MEMBERS,

The Directors have the pleasure in presenting their report and the Audited Accounts of the Company for the period ended on 31st December, 2013.

1. **FINANCIAL RESULTS**

The Company has not commenced any business activities.

2. **AUDITORS**

M/s. Suresh Pareek & Associates, Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

3. **EMPLOYEES**

The Company had no employees drawing salary in excess of the limits specified in section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

4. **DIRECTORS**

Mr. Mayenk Singh Kachwaha, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

5. **DIRECTORS RESPONSIBILITY STATEMENT**

In conformity with the provisions under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your directors confirm that:-

- In preparation of Annual Accounts, the applicable accounting standards have been followed.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on 31st December, 2013 and of the loss of the Company for the Year ended on 31st December, 2013.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual accounts on a going concern basis.

6. **COMPLIANCE CERTIFICATE**

The Compliance Certificate issued by M/s. Surendra Kanstiya & Associates, Company Secretaries, in terms of Section 383A of the Companies Act, 1956 is annexed hereto and forms part of this Directors' Report.

7. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956 is not given as the same is not applicable.

For and on behalf of Board

Place : Mumbai

Date : 17th January, 2014

Sanjeev Churiwala

Director

Jagdish Chandra Toshniwal

Director

Compliance Certificate

Registration No. of the Company: U14107GJ2007PTC061529

Nominal Capital: ₹ 52,000,000/-

To,

The Members

CHEMICAL LIMES MUNDWA PVT. LTD.

P. O. Ambujanagar, Tal. Kodinar

Gujarat 362715

We have examined the registers, records, books and papers of CHEMICAL LIMES MUNDWA PVT. LTD. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. No forms or return were required to be filed with the Regional Director, Central Government or other authorities.

3. The Company is a private limited company but subsidiary of Ambuja Cement Ltd. (a public limited company), and has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3. The Company has no member who is its present or past employee; and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 4 times respectively on 16th January, 2013, 12th April, 2013, 24th July, 2013 and 23rd October, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on 31st December, 2012 was held on 4th April, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate certificate during the financial year.
13. The Company has:
 - (i) not made any allotment / transfer / transmission of shares during the financial year;
 - (ii) not declared any dividend/interim dividend during the financial year under review;
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year;
 - (iv) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon;
 - (v) duly complied with the requirements of section 217 of the Companies Act, 1956.
14. The Board of directors of the Company is duly constituted. There was no appointment of any director during the year under review.
15. The Company has not appointed any managing director/whole-time director/manager, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rule made thereunder.
19. The Company has not issued any security during the financial year under review.
20. The Company has not bought back any shares during the financial year.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the year under review.
25. The Company not entered into any transaction covered by the provisions of section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company was not required to comply with the provisions of section 418 of the Act.

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P.No. : 1744

Place: Mumbai

Date : 17th January, 2014

Annexure "A" To The Compliance Certificate of Chemical Limes Mundwa Pvt. Ltd.

Registers as maintained by the Company

1. Register of Members u/s 150.
2. Register of Particulars of contracts in which directors are interested u/s 301.
3. Register of Contracts, companies and firms in which directors are interested u/s 301(3).
4. Register of Director, Managing Director, Secretary u/s 303.
5. Register of Directors' Shareholdings u/s 307.
6. Minutes of the General Meetings & Board Meetings u/s 193.
7. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules 1960.
8. Register of Transfers.

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P. No. : 1744

Place: Mumbai

Date : 17th January, 2014

Annexure "B" To The Compliance Certificate of Chemical Limes Mundwa Private Limited

Forms and Returns as filed by the Company during the financial year ending/relating to 31.12.2013

* With Registrar of Companies:

Sr. No.	Form No. / Return	Filed Under Sec.	For	Date of Filing#	Whether Filed within Prescribed time	If delay in filing Whether requisite additional fees paid
1.	Form 66	383A	Financial year ended 31.12.2012	26.04.2013	Yes	No
2.	Form 23AC and Form 23ACA	220	Financial year ended 31.12.2012	02.05. 2013	Yes	No
3.	Form 20B	159	A.G.M. held on 04.04.2013	16.05. 2013	Yes	No

Date of uploading of the Form

*With Regional Director, Central Govt. or other authorities: Nil

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P. No. : 1744

Place: Mumbai

Date : 17th January, 2014

Independent Auditors' Report

To the Members of Chemical Limes Mundwa Private Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Chemical Limes Mundwa Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts 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, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st December, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No. 007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 17th January, 2014

Annexure to Auditors' Report

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **Chemical Limes Mundwa Private Limited** for the year ended 31st December, 2013.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

1. Since the Company does not have any Fixed Assets, clauses 4 (i) (a) (b) and (c) of the said Order are not applicable to the Company.
2. Since the Company does not have any inventory, the clauses 4 (ii) (a) (b) and (c) of the said Order are not applicable to the Company.
3. (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In view of (a) above, comments on para (b) to (g) of clause 4 (iii) are not applicable.
4. During the year the Company has not carried out any activity of sale of goods and services and has not purchased any fixed assets. No major weakness has been noticed in the internal control systems of the company.
5. (a) During the year, the Company has not entered into any transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956.
(b) In view of our comments in para 5 (a) above, clause 4 (v) (b) of the said Order are not applicable to the Company.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed there under.
7. The clause relating to internal audit system is not applicable to the Company for the year under report.
8. The Central Government has not prescribed for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. a) According to the records of the Company, the undisputed statutory dues pertaining to Income Tax have been regularly deposited with the appropriate authorities. The laws relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
b) There are no undisputed amounts in respect of Income Tax which have not been deposited with the appropriate authorities. The laws relating to Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
10. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year and the Company has also incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. The Company has no facilities from banks and financial institutions.
12. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. The Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not obtained any term loans during the year under report.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no short term funds have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money through a public issue during the year.
21. On the basis of our examination and according to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No.007494C
Chartered Accountants

Suresh Pareek
Membership No. 76526

Place: Nagaur
Date : 17th January, 2014

Balance Sheet As at 31st December, 2013

	Note	As at 31.12.2013 ₹	As at 31.02.2012 ₹
		<u> </u>	<u> </u>
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital.....	2	51,400,000	51,400,000
Reserves and surplus	3	(38,581,435)	(37,127,873)
		<u>12,818,565</u>	<u>14,272,127</u>
Current liabilities			
Trade payables	4	7,500	3,372
Other current liabilities	5	1,521,853	17,225,853
		<u>1,529,353</u>	<u>17,229,225</u>
Total		<u>14,347,918</u>	<u>31,501,352</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible assets.....	6	21,171	21,171
Long-term loans and advances.....	7	246,000	246,000
		<u>267,171</u>	<u>267,171</u>
Current assets			
Cash and bank balances	8	13,651,945	30,834,409
Short-term loans and advances	9	170,056	121,469
Other current assets.....	10	258,746	278,303
		<u>14,080,747</u>	<u>31,234,181</u>
Total		<u>14,347,918</u>	<u>31,501,352</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Suresh Pareek & Associates

Chartered Accountants

Firm Reg. No. : 007494C

Suresh Pareek

Mem. No. 76526

Place : Nagaur

Date : 17th January, 2014

For and on behalf of the Board

Jagdish Chandra Toshniwal

Director

Place : Mumbai

Date : 17th January, 2014

Sanjeev Churiwala

Director

Statement of Profit and Loss For the year ended 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Revenue from operations		-	-
Other income	11	589,276	1,302,114
Total revenue		589,276	1,302,114
Expenses			
Finance costs	12	-	254,124
Other expenses	13	2,042,838	5,005,822
Total expenses		2,042,838	5,259,946
Loss for the year		(1,453,562)	(3,957,832)
Earnings per equity share of ₹ 10/- each	15		
Basic		(0.28)	(1.29)
Diluted		(0.28)	(1.29)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Suresh Pareek & Associates

Chartered Accountants

Firm Reg. No. : 007494C

Suresh Pareek

Mem. No. 76526

Place : Nagaur

Date : 17th January, 2014

For and on behalf of the Board

Jagdish Chandra Toshniwal

Director

Place : Mumbai

Date : 17th January, 2014

Sanjeev Churiwala

Director

Cash Flow Statement For the year ended 31st December, 2013

	2013 ₹	2012 ₹
A) Cash flow from operating activities		
Loss before tax	(1,453,562)	(3,957,832)
Adjustment for :		
Interest income	(589,276)	(1,302,114)
Finance costs	-	254,124
	<u>(589,276)</u>	<u>(1,047,990)</u>
Operating loss before working capital changes	(2,042,838)	(5,005,822)
Adjustment for :		
Trade payables and other current liabilities	(15,699,872)	3,374,440
Loans and advances and other current assets	(29,030)	(14,821,485)
	<u>(15,728,902)</u>	<u>(11,447,045)</u>
Net cash used in operating activities (A)	(17,771,740)	(16,452,867)
B) Cash Flow from investing activities		
Interest received	589,276	1,302,114
Net Cash flow from investing activities (B)	589,276	1,302,114
C) Cash Flow from financing activities		
Proceeds from issuance of equity share capital	-	50,000,000
Repayment of loans	-	(10,000,000)
Loans taken	-	5,650,000
Interest and Financial Expenses	-	(254,124)
Net cash flow from financing activities (C)	-	45,395,876
Net increase / (decrease) in cash & cash equivalents (A+B +C)	(17,182,464)	30,245,123
Cash and cash equivalents at the beginning of the year	30,834,409	589,286
Cash and cash equivalents at the end of the year	<u>13,651,945</u>	<u>30,834,409</u>
	<u>(17,182,464)</u>	<u>30,245,123</u>
Components of cash and cash equivalents :		
Cash on hand	4,192	2,293
With banks - in current accounts	3,647,753	5,832,116
With banks - fixed deposits	10,000,000	25,000,000
Cash and cash equivalents at the end of the year	13,651,945	30,834,409

Notes : Figures in brackets represent cash outflow.

Significant accounting policies - Note 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Suresh Pareek & Associates

Chartered Accountants
Firm Reg. No. : 007494C

Suresh Pareek
Mem. No. 76526

Place : Nagaur
Date : 17th January, 2014

For and on behalf of the Board

Jagdish Chandra Toshniwal
Director

Place : Mumbai
Date : 17th January, 2014

Sanjeev Churiwala
Director

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting :

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition :

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

c) Fixed Assets and Depreciation :

The fixed assets have been shown at cost less depreciation provided as on date. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use. Cost also includes financing costs relating to specific borrowing(s) attributable to the acquisition or construction of fixed assets. Depreciation is provided in accordance with the rates specified in Schedule-XIV of the Companies Act, 1956 on Straight Line Method.

d) Taxation :

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

e) Provisions and Contingencies :

- i. A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.
- ii. Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws includes those in respect of which the company / department is in appeal. Contingent Liabilities are disclosed by way of notes.

f) Cash and Bank Balances :

- i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

g) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements (Contd.)

	As at 31.12.2013	As at 31.12.2012
	₹	₹
2 Share capital		
a. Details of authorised, issued and subscribed share capital		
Authorised		
52,00,000 (31.12.2012 - 52,00,000) Equity Shares of ₹ 10 each	52,000,000	52,000,000
	52,000,000	52,000,000
Issued, subscribed and paid up capital		
51,40,000 (31.12.2012 - 51,40,000) Equity Shares of ₹ 10 each fully paid up	51,400,000	51,400,000
	51,400,000	51,400,000

b. Terms / Right attached to equity shares

- i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Ambuja Cements Limited, the Holding Company	5,139,990	100%	5,139,990	100%

d. Reconciliation of equity shares outstanding

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	5,140,000	51,400,000	140,000	1,400,000
Add : Issued during the year	-	-	5,000,000	50,000,000
At the end of the year	5,140,000	51,400,000	5,140,000	51,400,000

e. Shares held by holding company, ultimate holding company and their subsidiaries

Particulars	As at 31.12.2013	As at 31.12.2012
	₹	₹
Ambuja Cements Limited, the holding company 51,39,990 (31.12.2012 - 51,39,990) equity shares of ₹ 10 each fully paid up	51,399,900	51,399,900

3 Reserves and surplus

Share premium

As at 31.12.2013	As at 31.12.2012
₹	₹
12,350,000	12,350,000

Deficit in the Statement of Profit & Loss

Balance as per last financial statements	(49,477,873)	(45,520,041)
Add : Loss for the year.....	(1,453,562)	(3,957,832)
Closing balance	(50,931,435)	(49,477,873)
Total	(38,581,435)	(37,127,873)

Notes to the Financial Statements (Contd.)

	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹	
4 Trade payables			
Trade payables	-	-	
Due to micro, small and medium enterprises	-	-	
Other than micro, small and medium enterprises	7,500	3,372	
	<u>7,500</u>	<u>3,372</u>	
5 Other current liabilities			
Land tax provision	-	15,704,000	
Provision for lease rent	21,853	21,853	
Mayank Singh Kachava (Director)	1,500,000	1,500,000	
	<u>1,521,853</u>	<u>17,225,853</u>	
6 Tangible assets			
	Freehold Land	Buildings	Total
	₹	₹	₹
Gross carrying value at cost			
Opening as on 1st January, 2012	20,364	16,166	36,530
As at 31st December, 2012	20,364	16,166	36,530
At 31st December, 2013	<u>20,364</u>	<u>16,166</u>	<u>36,530</u>
Depreciation			
Opening as on 1st January, 2012	-	15,359	15,359
As at 31st December, 2012	-	15,359	15,359
Charge for the year	-	-	-
At 31st December, 2013	<u>-</u>	<u>15,359</u>	<u>15,359</u>
Net carrying value			
At 31st December, 2012	20,364	807	21,171
At 31st December, 2013	<u>20,364</u>	<u>807</u>	<u>21,171</u>
	As at	As at	
	31.12. 2013	31.12. 2012	
	₹	₹	
7 Long term loans and advances			
Mining security deposit	246,000	246,000	
	<u>246,000</u>	<u>246,000</u>	
8 Cash and bank balances			
Cash and cash equivalents			
Balances with banks			
On Current account	3,647,753	5,832,116	
Deposits with original maturity less than 3 months	10,000,000	25,000,000	
Cash on hand	4,192	2,293	
	<u>13,651,945</u>	<u>30,834,409</u>	
9 Short term loans and advances			
Prepaid expenses	170,056	121,469	
	<u>170,056</u>	<u>121,469</u>	
10 Other current assets			
TDS receivable	182,553	114,869	
TCS receivable	10,988	10,009	
Interest accrued on fixed deposits with bank	65,205	153,425	
	<u>258,746</u>	<u>278,303</u>	

Notes to the Financial Statements (Contd.)

	2013 ₹	2012 ₹
11 Other income		
Interest on income tax refund	651	-
Interest on bank fixed deposits	588,625	1,302,114
	<u>589,276</u>	<u>1,302,114</u>
12 Finance cost		
Interest on inter corporate deposit	-	254,124
	<u>-</u>	<u>254,124</u>
13 Other expenses		
	2013 ₹	2012 ₹
Lease rent	21,853	21,853
Lease dead rent	679,159	505,894
Land tax.....	1,213,600	3,704,700
Auditor's remuneration		
- Audit fee	8,624	4,496
- Other services	1,124	5,000
Bank charges.....	112	1,218
Legal and professional charges	116,731	135,331
Printing & stationery exps.	-	3,596
Filing fees	1,635	1,418
Stamp duty for issue of new shares	-	50,010
Expenditure for increased of authorised capital	-	570,000
Miscellaneous expenses	-	2,306
	<u>2,042,838</u>	<u>5,005,822</u>
14 Contingent liabilities		
Matters for which the company is contingently liable		
Disputed Land tax demand	33,980,800	32,767,200

15 Earning per equity share (EPS) :

In accordance with Accounting Standard 20-Earning per Share, the computation of Earning per Share is set out below :

Particulars	2013 ₹	2012 ₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	5,140,000	140,000
ii) Number of shares at the end of the year	5,140,000	5,140,000
iii) Weighted average number of shares outstanding during the year	5,140,000	3,063,497
Net Loss after tax available for equity shareholders (₹)	(1,453,562)	(3,957,832)
Basic / Diluted Earnings per share (in ₹)	(0.28)	(1.29)

Note: The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

Notes to the Financial Statements (Contd.)

16 RELATED PARTY DISCLOSURE

a) Names of related parties where control exists :

Party	Nature of Relationship
Holcim Ltd., Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

Transactions	Holding Company - Ambuja Cements Limited	
	2013 ₹	2012 ₹
Issue of equity shares	-	50,000,000
Loan received	-	5,650,000
Loan repayment	-	10,000,000
Interest paid	-	254,124
Amount outstanding as on Balance Sheet date	-	-

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

17 TAXATION :

Current Tax

In absence of taxable income as per the provisions of the Income Tax Act, 1961 in the current year, provision for current tax has not been made.

Deferred Taxes

There are no items attributable to the timing difference between taxable income and accounting income, hence no deferred tax liabilities / (assets) have been recognized during the year.

18 Figures of previous year have been re-grouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to notes 1 to 18

As per our attached report of even date

For and on behalf of the Board

For Suresh Pareek & Associates

Chartered Accountants
Firm Reg. No. : 007494C

Suresh Pareek
Mem. No. 76526
Place : Nagaur
Date : 17th January, 2014

Jagdish Chandra Toshniwal
Director
Place : Mumbai
Date : 17th January, 2014

Sanjeev Churiwala
Director

Directors' Report

TO THE MEMBERS,

The Directors have the pleasure in presenting their Report and Audited Accounts of the Company for the period ended on 31st December, 2013.

1. **FINANCIAL RESULTS**

The Company has not commenced any business activities.

2. **AUDITORS**

M/s Suresh Pareek & Associates, Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

3. **EMPLOYEES**

The Company had no employees drawing salary in excess of the limits specified in Section 217(2A) of the Companies Act, 1956 read with the Companies(Particulars of Employees) Rules,1975.

4. **DIRECTORS**

Mr. Mayenk Singh Kachwaha, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re- appointment.

5. **DIRECTORS` RESPONSIBILITY STATEMENT**

In conformity with the provisions under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000 your directors confirm that:-

- (a) In preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true fair view of the state of affairs Company as on 31st December,2013 and of the loss of the Company for the year ended on 31st December, 2013.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the Annual Accounts on a going concern basis.

6. **COMPLIANCE CERTIFICATE**

The Compliance certificate issued by M/s. Surendra Kanstiya & Associates, Company Secretaries, in terms of section 383A of the Companies Act, 1956 is annexed hereto and forms part of this Directors' Report.

7. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required to be given pursuant to section 217(1) (e) of the Companies Act, 1956 is not given as the same is not applicable.

For and on behalf of Board

Place : Mumbai

Sanjeev Churiwala

Jagdish Chandra Toshniwal

Date : 17th January, 2014

Director

Director

Compliance Certificate

Registration No. of the Company: U26943GJ1990PTC061530

Nominal Capital: ₹100 Lakhs

To,
The Members
M. G. T. CEMENTS PVT. LTD.
P. O. Ambujanagar, Tal. Kodinar
Gujarat 362715

We have examined the registers, records, books and papers of M G T CEMENTS PVT. LTD. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. No forms or return were required to be filed with the Regional Director, Central Government or other authorities.
3. The Company is a private limited company but subsidiary of Ambuja Cement Ltd. (a public limited company), and has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3. The Company has no member who is its present or past employee; and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 4 times respectively on 16th January, 2013, 12th April, 2013, 24th July, 2013 and 23rd October, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on 31st December, 2012 was held on 4th April, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate certificate during the financial year.
13. The Company has:
 - (i) not made any allotment/transfer/transmission of shares during the financial year;
 - (ii) not declared any dividend/interim dividend during the financial year under review;
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year;
 - (iv) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon;
 - (v) duly complied with the requirements of section 217 of the Companies Act, 1956.
14. The Board of directors of the Company is duly constituted. There was no appointment of any director during the year under review.
15. The Company has not appointed any managing director/whole-time director/manager, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rule made thereunder.
19. During the financial year, the Company has not issued any security.
20. The Company has not bought back any shares during the financial year.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of section 58A during the financial year.
24. The Company did not make any borrowing during the year under review.
25. The Company not entered into any transaction covered by the provisions of section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to comply with the provisions of section 418 of the Act.

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C. P. No. : 1744

Place: Mumbai

Date : 17th January, 2014

Annexure "A" To The Compliance Certificate of M. G. T. Cements Pvt. Ltd.

Registers as maintained by the Company

1. Register of Charges u/s 143.
2. Register of Members u/s 150.
3. Register of Particulars of contracts in which directors are interested u/s 301.
4. Register of Contracts, companies and firms in which directors are interested u/s 301(3).
5. Register of Director, Managing Director, Secretary u/s 303.
6. Register of Directors' Shareholdings u/s 307.
7. Minutes of the General Meetings & Board Meetings u/s 193.
8. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules 1960.
9. Register of Transfers

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C. P. No. : 1744

Place: Mumbai

Date : 17th January, 2014

Annexure "B" To The Compliance Certificate of M. G. T. Cements Private Limited

Forms and Returns as filed by the Company during the financial year ending/relating to 31.12.2013

* With Registrar of Companies:

Sr. No.	Form No ./ Return	Filed Under Sec.	For	Date of Filing#	Whether Filed within Prescribed time	If delay in filing Whether requisite additional fees paid
1.	Form 66	383A	Financial year ended 31.12.2012	26.04.2013	Yes	No
2.	Form 23AC and Form 23ACA	220	Financial year ended 31.12.2012	02.05.2013	Yes	No
3.	Form 20B	159	A.G.M. held on 04.04.2013	16.05.2013	Yes	No

Date of uploading of the Form

*With Regional Director, Central Govt. or other authorities: Nil

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P.No. : 1744

Place: Mumbai

Date : 17th January, 2014

Independent Auditors' Report

To the Members of M.G.T Cements Private Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of M.G.T. Cements Private Limited ("the Company"), which comprise the Balance Sheet as at 31st December, 2013, the Statement of Profit and Loss & Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts 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, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st December, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For **SURESH PAREEK & ASSOCIATES**

Firm Registration No. 007494C

Chartered Accountants

Suresh Pareek Membership No. 76526

Place: Nagaur

Date : 17th January, 2014

Annexure to Auditors' Report

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **M.G.T Cements Private Limited** for the year ended 31st December, 2013.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

1. Since the Company does not have any Fixed Assets, clauses 4 (i) (a) (b) and (c) of the said Order are not applicable to the Company.
2. Since the Company does not have any inventory, the clauses 4 (ii) (a) (b) and (c) of the said Order are not applicable to the Company.
3. (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In view of (a) above, comments on para (b) to (g) of clause 4 (iii) are not applicable.
4. During the year the Company has not carried out any activity of sale of goods and services and has not purchased any fixed assets. No major weakness has been noticed in the internal control systems of the company.
5. (a) During the year, the Company has not entered into any transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956.
(b) In view of our comments in para 5 (a) above, clause 4 (v) (b) of the said Order are not applicable to the Company.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed there under.
7. The clause relating to internal audit system is not applicable to the Company for the year under report.
8. The Central Government has not prescribed for maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956.
9. a) According to the records of the Company, the undisputed statutory dues pertaining to Income Tax have been regularly deposited with the appropriate authorities. The laws relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
b) There are no undisputed amounts in respect of Income Tax which have not been deposited with the appropriate authorities. The laws relating to Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
10. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year and the Company has also incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. The Company has no facilities from banks and financial institutions.
12. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. The Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not obtained any term loans during the year under report.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no short term funds have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money through a public issue during the year.
21. On the basis of our examination and according to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SURESH PAREEK & ASSOCIATES**
Firm Registration No. 007494C
Chartered Accountants

Suresh Pareek Membership No. 76526

Place: Nagaur
Date : 17th January, 2014

Balance Sheet As at 31st December, 2013

	Note	As at 31.12.2013 ₹	As at 31.12.2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7,500,000	7,500,000
Reserves and surplus	3	<u>(7,099,495)</u>	<u>(6,911,746)</u>
		<u>400,505</u>	<u>588,254</u>
Current liabilities			
Trade payables	4	8,049	3,921
Total		<u>408,554</u>	<u>592,175</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	<u>188,637</u>	<u>348,759</u>
Current assets			
Cash and bank balances	6	<u>219,917</u>	<u>243,416</u>
Total		<u>408,554</u>	<u>592,175</u>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date
For Suresh Pareek & Associates
Chartered Accountants
Firm Reg. No. : 007494C

For and on behalf of the Board

Suresh Pareek
Mem. No. 76526
Place : Nagaur
Date : 17th January, 2014

Jagdish Chandra Toshniwal
Director
Place : Mumbai
Date : 17th January, 2014

Sanjeev Churiwala
Director

Statement of Profit and Loss For the year ended 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Revenue from operations		-	-
Other income	7	-	358
Total revenue		<u>-</u>	<u>358</u>
Expenses			
Depreciation	5	160,122	160,122
Other expenses	8	27,627	75,397
Total expenses		<u>187,749</u>	<u>235,519</u>
Loss for the year		<u>187,749</u>	<u>(235,161)</u>
Earnings per equity share of ₹ 10/- each:	9		
Basic		(0.25)	(0.31)
Diluted		(0.25)	(0.31)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date
For Suresh Pareek & Associates
Chartered Accountants
Firm Reg. No. : 007494C

For and on behalf of the Board

Suresh Pareek
Mem. No. 76526
Place : Nagaur
Date : 17th January, 2014

Jagdish Chandra Toshniwal
Director
Place : Mumbai
Date : 17th January, 2014

Sanjeev Churiwala
Director

Cash Flow Statement For the year ended 31st December, 2013

	2013 ₹	2012 ₹
	-	-
Cash flow from operating activities	-	-
Loss before tax	(187,749)	(235,161)
Adjustment for:		
Depreciation.....	160,122	160,122
Operating loss before working capital changes	(27,627)	(75,039)
Adjustment for:		
Trade payables	4,128	-
Other current assets	-	7,102
	4,128	7,102
Net cash used in operating activities	(23,499)	(67,937)
Net decrease in cash & cash equivalents	(23,499)	(67,937)
Cash and cash equivalents at the beginning of the year	243,416	311,353
Cash and cash equivalents at the end of the year	219,917	243,416
	(23,499)	(67,937)
Components of cash and cash equivalents :		
Cash on Hand	1,233	1,298
With banks-in current accounts.....	218,684	242,118
Cash and cash equivalents at the end of the year.....	219,917	243,416

Notes : Figures in brackets represent cash outflow.

Significant accounting policies - Note 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For Suresh Pareek & Associates

Chartered Accountants

Firm Reg. No. : 007494C

Suresh Pareek

Mem. No. 76526

Place : Nagaur

Date : 17th January, 2014

For and on behalf of the Board

Jagdish Chandra Toshniwal

Director

Place : Mumbai

Date : 17th January, 2014

Sanjeev Churiwala

Director

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting:

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition :

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

c) Fixed Assets and Depreciation :

The fixed assets have been shown at cost less depreciation provided as on date. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use. Cost also includes financing costs relating to specific borrowing(s) attributable to the acquisition or construction of fixed assets. Depreciation is provided in accordance with the rates specified in Schedule-XIV of the Companies Act, 1956 on Straight Line Method.

d) Taxation :

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

e) Provisions and Contingencies :

- i. A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.
- ii. Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal. Contingent Liabilities are disclosed by way of notes.

f) Cash and Bank Balances :

- i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

g) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements (Contd.)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
2 Share capital		
a. Details of authorised, issued and subscribed share capital		
Authorised Capital		
1,000,000 (31.12.2012 - 1,000,000)Equity Shares of ₹ 10 each	10,000,000	10,000,000
	10,000,000	10,000,000
Issued, subscribed and fully paid up		
750,000 (31.12.2012 - 750,000) Equity Shares of ₹ 10 each fully paid up	7,500,000	7,500,000
	7,500,000	7,500,000
	7,500,000	7,500,000

b. Terms / Right attached to Equity Shares

- i) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Ambuja Cements Limited, the holding company	749,990	100%	749,990	100%

d. Reconciliation of equity shares outstanding

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	750,000	7,500,000	750,000	7,500,000
Add : Issued during the year	-	-	-	-
At the end of the year	750,000	7,500,000	750,000	7,500,000

e. Shares held by holding company , ultimate holding company and their subsidiaries

Particulars	As at 31.12.2013	As at 31.12.2012
Ambuja Cements Limited (the Holding Company) and its nominees 749,990 (31.12.2012 - 749,990) equity shares of ₹ 10 each fully paid up	7,499,900	7,499,900

	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
3 Reserves and surplus		
Share premium	9,299,690	9,299,690
Deficit in the Statement of Profit & Loss		
Balance as per last financial statements	(16,211,436)	(15,976,275)
Add : Loss for the year	(187,749)	(235,161)
Closing balance	(16,399,185)	(16,211,436)
Total	(7,099,495)	(6,911,746)

Notes to the Financial Statements (Contd.)

	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
4 Trade payables		
Trade payables		
Due to micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	8,049	3,921
	8,049	3,921
5 Tangible assets		
	Buildings	Total
	₹	₹
Gross carrying value, at cost		
Opening as on 1st January, 2012	4,794,086	4,794,086
As at 31st December, 2012	4,794,086	4,794,086
At 31st December, 2013	4,794,086	4,794,086
Depreciation		
Opening as on 1st January, 2012	4,285,205	4,285,205
Charge for the year	160,122	160,122
As at 31st December, 2012	4,445,327	4,445,327
Charge for the year	160,122	160,122
At 31st December, 2013	4,605,449	4,605,449
Net carrying value		
At 31st December, 2012	348,759	348,759
At 31st December, 2013	188,637	188,637
	As at	As at
	31.12. 2013	31.12. 2012
	₹	₹
6 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
On Current account	218,684	242,118
Cash on hand	1,233	1,298
	219,917	243,416
	2013	2012
	₹	₹
7 Other income		
Interest-others	-	358
	-	358
8 Other expenses		
Auditor's remuneration		
- Audit fees	8,624	4,496
- Other services	6,124	5,000
Lease rent	549	549
Legal and professional Fees	10,731	63,964
Filing fees	1,599	1,082
Miscellaneous expenses	-	306
	27,627	75,397

Notes to the Financial Statements (Contd.)

9 Earning per equity share (EPS) :

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

Particulars	2013 ₹	2012 ₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	750,000	750,000
ii) of shares at the end of the year	750,000	750,000
iii) Weighted average number of shares outstanding during the year	750,000	750,000
Net Loss after tax available for equity shareholders (₹)	(187,749)	(235,161)
Basic Earning per share (in ₹)	(0.25)	(0.31)

Note: The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

10 RELATED PARTY DISCLOSURE :

a) Names of related parties where control exists :

Party	Nature of Relationship
Holcim Ltd., Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

There are no transactions entered into by the company during the year (previous year - Nil) with the related parties as mentioned in (a) above

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

11 TAXATION:

Current Tax

In absence of taxable income as per the provisions of the Income Tax Act, 1961 in the current year, provision for current tax has not been made.

Deferred Taxes

There are no items attributable to the timing difference between taxable income and accounting income hence no deferred tax liabilities (assets) have been recognized during the year.

12 Figures of previous year have been re-grouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to notes 1 to 12

As per our attached report of even date

For and on behalf of the Board

For Suresh Pareek & Associates

Chartered Accountants

Firm Reg. No. : 007494C

Suresh Pareek

Mem. No. 76526

Place : Nagaur

Date : 17th January, 2014

Jagdish Chandra Toshniwal

Director

Place : Mumbai

Date : 17th January, 2014

Sanjeev Churiwala

Director

Directors' Report

TO THE MEMBERS,

The Directors have the pleasure in presenting their report and the Audited Accounts of the Company for the period ended on 31st December, 2013.

1. **FINANCIAL RESULTS**

The Company has not commenced any business activities.

2. **AUDITORS**

M/s. Singrodia Goyal & Co., Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

3. **EMPLOYEES**

The Company had no employees drawing salary in excess of the limits specified in section 217(2A) of the Companies Act, 1956 read with the Companies Particulars of Employees Rules, 1975.

4. **DIRECTORS**

Mr. Rajiv Gandhi, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

5. **DIRECTORS RESPONSIBILITY STATEMENT**

In conformity with the provisions under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your directors confirm that :-

- (a) In preparation of Annual Accounts, the applicable accounting standards have been followed.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on 31st December, 2013 and of the loss of the Company for the Year ended on 31st December, 2013.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the Annual accounts on a going concern basis.

6. **COMPLIANCE CERTIFICATE**

The Compliance Certificate issued by M/s. Surendra Kanstiya & Associates, Company Secretaries, in terms of Section 383A of the Companies Act, 1956 is annexed hereto and forms part of this Directors' Report.

7. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956 is not given as the same is not applicable.

For and on behalf of Board

Place : Mumbai
Date : 22nd January, 2014

Sanjeev Churiwala
Director

Rajiv Gandhi
Director

Compliance Certificate

Registration No. of the Company: U26942GJ1997PLC062008

Nominal Capital: ₹ 1,000,000/-

To,
The Members
KAKINADA CEMENTS LIMITED
P.O. AMBUJANAGAR
TAL. KODINAR
GUJARAT 362715

We have examined the registers, records, books and papers of KAKINADA CEMENTS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A` to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B` to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. No forms or return were required to be filed with the Regional Director, Central Government or other authorities.

3. The Company is a private limited company but subsidiary of Ambuja Cement Ltd. (a public limited company), and has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 7. The Company has no member who is its present or past employee; and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 4 times respectively on 16th January, 2013, 12th April, 2013, 24th July, 2013 and 23rd October, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on 31st December, 2012 was held on 4th April, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate certificate during the financial year.
13. The Company has:
 - (i) not made any allotment / transfer / transmission of shares during the financial year;
 - (ii) not declared any dividend/interim dividend during the financial year under review;
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year;
 - (iv) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon;
 - (v) duly complied with the requirements of section 217 of the Companies Act, 1956.
14. The Board of directors of the Company is duly constituted. There was regularization of appointment of one director who was earlier appointed to fill up a casual vacancy.
15. The Company has not appointed any managing director/whole-time director/manager, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rule made thereunder.
19. The Company has not issued any kind of securities during the financial year..
20. The Company has not bought back any shares during the financial year.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the year under review.
25. The Company not entered into any transaction covered by the provisions of section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.

31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to comply with the provisions of section 418 of the Act.

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P. No. : 1744

Place: Mumbai

Date : 22nd January 2014

Annexure "A" To The Compliance Certificate of Kakinada Cements Limited

Registers as maintained by the Company

1. Register of Members u/s 150.
2. Register of Particulars of contracts in which directors are interested u/s 301.
3. Register of Contracts, companies and firms in which directors are interested u/s 301(3).
4. Register of Director, Managing Director, Secretary u/s 303.
5. Register of Directors' Shareholdings u/s 307.
6. Minutes of the General Meetings & Board Meetings u/s 193.
7. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules 1960.
8. Register of Transfers.

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P. No. : 1744

Place: Mumbai

Date : 22nd January, 2014

Annexure "B" To The Compliance Certificate of Kakinada Cements Limited

Forms and Returns as filed by the Company during the financial year ending/relating to 31.12.2013

* With Registrar of Companies:

Sr. No.	Form No ./ Return	Filed Under Sec.	For	Date of Filing#	Whether Filed within Prescribed time	If delay in filing Whether requisite additional fees paid
1.	Form 32	303	Regularisation of appointment of Mr. Rajiv Gandhi	16.04. 2013	Yes	No
2.	Form 66	383A	Financial year ended 31.12.2012	16.04. 2013	Yes	No
3.	Form 23AC and Form 23ACA	220	Financial year ended 31.12.2012	02.05. 2013	Yes	No
4.	Form 20B	159	A.G.M. held on 04.04.2013	15.05. 2013	Yes	No

Date of uploading of the Form

*With Regional Director, Central Govt. or other authorities: Nil

Signature: Sd/-

Name of the Company Secretary: Surendra U. Kanstiya

C.P. No. : 1744

Place: Mumbai

Date : 22nd January, 2014

Independent Auditors' Report

To the Members of Kakinada Cements Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Kakinada Cements Limited ("the Company")**, which comprise the Balance Sheet as at 31st December, 2013, the Statement of Profit and Loss & Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts 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, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st December, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For S G C O & Co.
Chartered Accountants
Firm Registration Number : 112081W

Narayan Pasari
Partner
Membership Number : 038095

Place: Mumbai

Date : 22nd January, 2014

Annexure to Auditors' Report

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **Kakinada Cements Limited** for the year ended 31st December, 2013.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

1. Since the Company does not have any Fixed Assets, clauses 4 (i) (a) (b) and (c) of the said Order are not applicable to the Company.
2. Since the Company does not have any inventory, the clauses 4 (ii) (a) (b) and (c) of the said Order are not applicable to the Company.
3. (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In view of (a) above, comments on para (b) to (g) of clause 4 (iii) are not applicable.
4. During the year the Company has not carried out any activity of sale of goods and services and has not purchased any fixed assets. No major weakness has been noticed in the internal control systems of the company.
5. (a) During the year, the Company has not entered into any transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956.
(b) In view of our comments in para 5 (a) above, clause 4 (v) (b) of the said Order are not applicable to the Company.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed there under.
7. The clause relating to internal audit system is not applicable to the Company for the year under report.
8. The Central Government has not prescribed for maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.
9. a) According to the records of the Company, the undisputed statutory dues pertaining to Income Tax have been regularly deposited with the appropriate authorities. The laws relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
b) There are no undisputed amounts in respect of Income Tax which have not been deposited with the appropriate authorities. The laws relating to Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess are not applicable to the Company.
10. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year and the Company has also incurred cash losses in the current financial year as well as in the immediately preceding financial year.
11. The Company has no facilities from banks and financial institutions.
12. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. The Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not obtained any term loans during the year under report.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no short term funds have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money through a public issue during the year.
21. On the basis of our examination and according to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For S G C O & Co.
Chartered Accountants
Firm Registration Number : 112081W

Narayan Pasari
Partner
Membership Number : 038095

Place: Mumbai
Date : 22nd January, 2014

Balance Sheet As at 31st December, 2013

	Note	As at 31.12.2013 ₹	As at 31.12.2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	<u>(605,716)</u>	<u>(559,405)</u>
		394,284	440,595
Current liabilities			
Trade payables	4	<u>11,236</u>	11,236
Total		<u>405,520</u>	<u>451,831</u>
ASSETS			
Current Assets			
Cash and bank balances	5	<u>405,520</u>	451,831
Total		<u>405,520</u>	<u>451,831</u>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S G C O & Co.

Chartered Accountants

Firm Registration Number : 112081W

Narayan Pasari

Partner

Membership Number : 038095

Place : Mumbai

Date : 22nd January, 2014

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Place : Mumbai

Date : 22nd January, 2014

Statement of Profit and Loss For the year ended 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Revenue from operations		-	-
Total revenue		<u>-</u>	<u>-</u>
Expenses			
Finance costs	6	-	2,762
Other expenses	7	46,311	106,843
Total expenses		<u>46,311</u>	<u>109,605</u>
Loss for the year		<u>(46,311)</u>	<u>(109,605)</u>
Earnings per equity share of ₹ 10/- each	8		
Basic		(0.46)	(1.38)
Diluted		(0.46)	(1.38)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S G C O & Co.

Chartered Accountants

Firm Registration Number : 112081W

Narayan Pasari

Partner

Membership Number : 038095

Place : Mumbai

Date : 22nd January, 2014

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Place : Mumbai

Date : 22nd January, 2014

Cash Flow Statement For the year ended 31st December, 2013

	2013 ₹	2012 ₹
A) Cash flow from operating activities		
Loss before tax	(46,311)	(109,605)
Adjustment for:		
Finance costs	-	2,762
Operating loss before working capital changes	(46,311)	(106,843)
Adjustment for:		
Increase/ (decrease) in trade payables	-	(284)
Net cash used in operating activities (A)	(46,311)	(107,127)
B) Cash Flow from financing activities		
Proceeds from issue of equity share capital	-	500,000
Loan received from Holding Company	-	200,000
Loan repayment to Holding Company	-	(200,000)
Interest cost	-	(2,762)
Net cash flow from financing activities (B)	-	497,238
Net increase / (decrease) in cash & cash equivalents (A+B)	(46,311)	390,111
Cash and cash equivalents at the end of the year	405,520	451,831
Cash and cash equivalents at the beginning of the year	451,831	61,720
	(46,311)	390,111
Components of cash and cash equivalents :		
Cash on Hand	-	108
With banks -on current accounts	405,520	451,723
Cash and cash equivalents at the end of the year	405,520	451,831

Notes : Figures in brackets represent cash outflow.

Significant accounting policies - Note 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S G C O & Co.

Chartered Accountants

Firm Registration Number : 112081W

Narayan Pasari

Partner

Membership Number : 038095

Place : Mumbai

Date : 22nd January, 2014

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Place : Mumbai

Date : 22nd January, 2014

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting :

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition :

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

c) Taxation :

Current Taxes :

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes :

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

d) Provisions and Contingencies :

- i. A provision is recognised for a present obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.
- ii. Contingent Liabilities are disclosed by way of notes.

e) Cash and Bank Balances :

- i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short term investments with an original maturity of three months or less.

f) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements (Contd.)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
2 Share capital		
a) Details of authorised, issued and subscribed share capital		
Authorised capital	1,000,000	1,000,000
100,000 (31.12.2012 - 100,000) Equity Shares of ₹ 10 each	1,000,000	1,000,000
Issued, subscribed and fully paid up		
100,000 (31.12.2012 - 100,000) Equity Shares of ₹ 10 each fully paid up	1,000,000	1,000,000
	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

b. Terms / Right attached to Equity Shares

- i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Ambuja Cements Limited, the holding company	100,000	100%	100,000	100%

D) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2013		As at 31.12.2012	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	100,000	1,000,000	50,000	500,000
Add : Issued during the year	-	-	50,000	500,000
At the end of the year	100,000	1,000,000	100,000	1,000,000

e) Shares held by holding Company, ultimate holding company and their subsidiaries

Particulars	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
Ambuja Cements Limited, the holding company 100,000 (31.12.2012 - 100,000) equity shares of ₹ 10 each fully paid up	1,000,000	1,000,000

	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
3 Reserves and surplus		
Deficit in the Statement of profit & loss		
Balance as per last financial statements	(559,405)	(449,800)
Add : Loss for the year	(46,311)	(109,605)
Closing balance	<u>(605,716)</u>	<u>(559,405)</u>

Notes to the Financial Statements (Contd.)

	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
4 Trade payables		
Trade payables		
Due to micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	11,236	11,236
	<u>11,236</u>	<u>11,236</u>
	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
5 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- On current account	405,520	451,723
Cash on hand	-	108
	<u>405,520</u>	<u>451,831</u>
6 Finance costs		
Interest on Inter corporate deposit	-	2,762
	<u>-</u>	<u>2,762</u>
7 Other expenses		
Auditor's remuneration		
- Audit fees	11,236	11,236
- Other services	25,057	11,236
Bank charges	-	-
Filing fees	1,020	2,234
Professional fees	8,990	66,295
Miscellaneous expenses	8	15,842
	<u>46,311</u>	<u>106,843</u>
8 Earnings per equity share (EPS) :		

In accordance with Accounting Standard 20-Earning per Share, the computation of earning per share is set out below:

Particulars	As at 31.12. 2013 ₹	As at 31.12. 2012 ₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	100,000	50,000
ii) Number of shares at the end of the year	100,000	100,000
iii) Weighted average number of shares outstanding during the year	100,000	79,235
Net Loss after tax available for equity shareholders	(46,311)	(109,605)
Basic / Diluted Earning per share (₹)	(0.46)	(1.38)

Note: The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

Notes to the Financial Statements (Contd.)

9 Related party disclosure :

a) Names of related parties where control exists :

Party	Nature of Relationship
Holcim Ltd., Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Details of related parties transactions :

Transactions	Holding Company - Ambuja Cements Limited	
	As at 31.12.2013 ₹	As at 31.12.2012 ₹
Issue of equity shares	-	500,000
Loan received	-	200,000
Loan repayment	-	200,000
Interest paid	-	2,762
Amount outstanding as on balance sheet date	-	-

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

10 Taxation :

Current Tax

In absence of taxable income as per the provisions of the Income Tax Act, 1961 in the current year, provision for current tax has not been made.

Deferred Taxes

There are no items attributable to the timing difference between taxable income and accounting income hence no deferred tax liabilities (assets) has been recognized during the year.

11 Figures of previous year have been re-grouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to Notes 1 to 11

As per our attached report of even date

For and on behalf of the Board

For S G C O & Co.

Chartered Accountants

Firm Registration Number : 112081W

Narayan Pasari

Partner

Membership Number : 038095

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Place : Mumbai

Date : 22nd January, 2014

Place : Mumbai

Date : 22nd January, 2014

Independent Auditors' Report

To the Board of Directors of Dang Cement Industries Private Limited, Lalitpur, Nepal

Report on the financial statements

We have audited the accompanying balance sheet of **Dang Cement Industries Private Limited, Lalitpur, Nepal** ('the Company') as at 31st December, 2013 and the statement of profit and loss and cash flows for the year then ended, prepared in conformity with the accounting principles generally accepted in India.

Management's responsibility for the financial statements

The Company's Management is responsible for the preparation and presentation of these financial statements. These financial statements have been prepared, on the basis of instructions received in this regard, by the Company's management solely for use by Ambuja Cements Limited in the preparation of its consolidated financial statements in accordance with the requirements of Clause 41 of the listing agreement and Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' (to the extent applicable) notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the state of affairs of Dang Cement Industries Private Ltd. as at 31st December, 2013 and of its profits and cash flows for the year then ended in conformity with the accounting principles generally accepted in India and the accounting policies of the holding company (to the extent applicable).

Further, the balance sheet and the statement of profit and loss and cash flows are in agreement with the books of account. In our opinion, the Company has maintained proper books of account as required by law insofar as appears from our examination of those books.

For **B & B ASSOCIATES**
Chartered Accountants

B. M . Dhungana
Partner

Membership No.: 327 (Institute of Chartered Accountants of Nepal)

Place : Kathmandu
Date : 22nd January, 2014

Balance Sheet As at 31st December, 2013

	Note	As at 31.12.2013 ₹	As at 31.12.2012 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	138,412,188	138,412,188
Reserves and surplus	3	<u>(53,964,602)</u>	<u>(55,650,702)</u>
		<u>84,447,586</u>	<u>82,761,486</u>
Non-current liabilities			
Deferred tax liability (net)		971	1,295
Current liabilities			
Other current liabilities	4	<u>11,875</u>	<u>11,875</u>
Total		<u><u>84,460,433</u></u>	<u><u>82,774,656</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	34,285,510	34,304,963
Long term loans and advances	6	50,000	50,000
Other Non-current assets	7	<u>25,000,000</u>	<u>25,000,000</u>
		<u>59,335,510</u>	<u>59,354,963</u>
Current assets			
Cash and bank balances	8	23,191,928	22,244,130
Short Term loans and advances	6	793,750	325,000
Other current assets	7	<u>1,139,245</u>	<u>850,563</u>
		<u>25,124,923</u>	<u>23,419,693</u>
Total-assets		<u><u>84,460,433</u></u>	<u><u>82,774,656</u></u>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For B & B ASSOCIATES

Chartered Accountants

B. M. Dhungana

Partner

Place: Kathmandu

Date : 22nd January, 2014

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place: Mumbai

Date : 22nd January, 2014

Statement of Profit and Loss
For the period from 1st January, 2013 to 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Revenue from operations		-	-
Other Income	9	2,604,285	2,048,583
Total Revenue		2,604,285	2,048,583
Expenses			
Employee benefits expenses		-	141,875
Depreciation and amortization expenses	5	11,839	12,508
Other expenses	10	906,669	966,071
Total expenses		918,508	1,120,454
Profit/ (loss) before tax		1,685,777	928,129
Tax expenses			
Deferred tax		324	(1,295)
Profit/(loss) for the period		1,686,100	926,834
Earnings per equity share of ₹ 62.50/- each			
Basic		0.76	0.50
Diluted		0.76	0.50
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date
For B & B ASSOCIATES
Chartered Accountants

B. M. Dhungana
Partner

Place: Kathmandu
Date : 22nd January, 2014

For and on behalf of the Board

Abhijit Ghosh Sanjeev Churiwala
Director Director

Place: Mumbai
Date : 22nd January, 2014

Cash Flow Statement

For the period from 1st January, 2013 to 31st December, 2013

	2013 ₹	2012 ₹
A Cash flow from operating activities		
Profit before tax	1,685,777	928,129
Adjustments for :		
Depreciation	11,839	12,508
Interest income	(2,591,435)	(2,048,583)
Profit on sale of fixed assets	(12,850)	-
Operating profit before working capital changes	(906,669)	(1,107,946)
Adjustments for :		
Trade payables	-	(31,875)
Loan & Advances and other assets	(757,432)	(1,092,119)
Cash generated from / (used in) operations	(1,664,101)	(2,231,940)
Net cash flow from / (used in) operating activities	(1,664,101)	(2,231,940)
B Cash flow from investing activities		
Purchase of Fixed assets	-	(125,911)
Investment in bank deposits (having original maturity of more than 12 months)	-	(25,000,000)
Interest on FDR with Nepal SBI Ltd	2,591,435	2,048,583
Realisation from sale of property, plant and equipment	20,464	-
Net cash flow from / (used in) investing activities	2,611,899	(23,077,328)
C Cash flow from financing activities		
Proceed from issuance of equity share capital	-	47,500,000
Net cash flow from financing activities	-	47,500,000
Net increase / (decrease) in cash and cash equivalents (A+B+C)	947,798	22,190,732
Cash and cash equivalents as at the beginning of the period	22,244,130	53,396
Cash and cash equivalents as at the end of the period	23,191,928	22,244,130
D Components of cash and cash equivalents		
Cash on hand	27,134	7,786
With banks - on current accounts	10,664,794	3,486,344
With banks - on deposit accounts	12,500,000	18,750,000
Cash and bank balance as per note 8	23,191,928	22,244,130

Summary of significant accounting policies -Note 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For B & B ASSOCIATES

Chartered Accountants

B. M. Dhungana

Partner

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place: Kathmandu

Date : 22nd January, 2014

Place: Mumbai

Date : 22nd January, 2014

Notes to the Financial Statements

1 (A) Basis of preparation of financial statements :

- (i) The financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 of India.
- (ii) The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- (iii) As the company is incorporated in Nepal under the Companies Act, 2063 prevailing in Nepal, accounting entries are made in local Nepalese Currency. However for the consolidation of accounts with the holding company, figures in Nepalese Currency (NPR) have been converted into Indian Currency (INR) at the fixed exchange rate between Indian and Nepalese currency at the rate of NPR 1.60 (1.60) for every INR

1(B) SIGNIFICANT ACCOUNTING POLICIES :

(a) Fixed Assets :

The fixed assets have been stated at their original cost of acquisition/installation (net off Modvat/cenvat credit availed), net off accumulated depreciation, amortisation and impairment losses except freehold non mining land which is carried at cost less impairment losses. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use.

(b) Depreciation and Amortisation :

- i. Depreciation on all assets other than Vehicle is provided on the "Straight Line Method" and on the Vehicles on the "Written Down Value Method" in accordance with the provisions of Section 205 (2)(b) of the Indian Companies Act, 1956, in the manner and the rates specified in Schedule-XIV of the Indian Companies Act, 1956.
- ii. Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in proportion to actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves.

(c) Revenue Recognition :

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

(d) Cash and Bank Balances :

- i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.
- ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less.

(e) Accounting for Taxation of Income :

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Nepal Income- tax Act, 2058 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

(f) Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

(g) Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(h) Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items 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 as expenses in the year in which they arise.

Notes to the Financial Statements (Contd.)

2 Share capital

Details of authorised, issued and subscribed share capital

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
Authorised capital		
70,000,000 (31.12.2012 - 70,000,000) Equity Shares of ₹ 62.50 each	4,375,000,000	4,375,000,000
	4,375,000,000	4,375,000,000
Issued capital		
5,400,000 (31.12.2012 - 5,400,000) Equity Shares of ₹ 62.50 each	337,500,000	337,500,000
	337,500,000	337,500,000
Subscribed and fully paid up capital		
2,214,595 (31.12.2012 - 2,214,595) Equity Share of ₹ 62.50 each fully paid up	138,412,188	138,412,188
Total	138,412,188	138,412,188

Additional information:

a) Reconciliation of equity share outstanding

Particulars	As at 31.12.2013		As at 31.12.2012	
	Number	₹	Number	₹
At the beginning of the period	2,214,595	138,412,188	1,454,595	90,912,188
Add: Issued during the period	-	-	760,000	47,500,000
At the end of the period	2,214,595	138,412,188	2,214,595	138,412,188

b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having par value of ₹ 62.50 per share. Each Shareholder is entitled to one vote per equity share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

c) Equity shares held by holding company, ultimate holding company and their subsidiaries

Particulars	As at 31.12. 2013 ₹	As at 31. 12. 2012 ₹
Ambuja Cements Ltd (ACL), the holding company 2,029,135 equity shares of ₹ 62.50 each fully paid up.	126,820,938	126,820,938

d) Details of equity shares held by shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.12. 2013		As at 31. 12. 2012	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Ambuja Cements Limited- holding company	2,029,135	92%	2,029,135	92%

3. Reserves and surplus

Deficit in the statement of profit and loss

	As at 31.12. 2013 ₹	As at 31.12.2012 ₹
Balance as per last financial statements	(55,650,702)	(56,577,536)
Add: Profit for the year	1,686,100	926,834
Closing balance	(53,964,602)	(55,650,702)
Total	(53,964,602)	(55,650,702)

Notes to the Financial Statements (Contd.)

	As at 31.12. 2013	As at 31. 12. 2012
	₹	₹
4 Other current liabilities		
TDS payable.....	2,500	2,500
Others	9,375	9,375
	<u>11,875</u>	<u>11,875</u>

5 Tangible assets

(Amount in ₹)

	Freehold non mining land	Freehold mining land	Furniture, fixtures and office equipments	Computer & office equipments	Vehicles	TOTAL
Gross carrying value, at Cost						
Opening as on 1st January, 2012	33,017,910	1,158,500	-	39,486	55,477	34,271,373
Additions	-	-	96,750	29,161	-	125,911
At 31st December, 2012	<u>33,017,910</u>	<u>1,158,500</u>	<u>96,750</u>	<u>68,647</u>	<u>55,477</u>	<u>34,397,284</u>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	55,477	55,477
At 31st December, 2013	<u>33,017,910</u>	<u>1,158,500</u>	<u>96,750</u>	<u>68,647</u>	<u>-</u>	<u>34,341,807</u>
Depreciation						
At 1st January, 2012.....	-	-	-	35,943	43,870	79,813
Charge for the year	-	-	4,562	4,941	3,005	12,508
At 31st December, 2012	<u>-</u>	<u>-</u>	<u>4,562</u>	<u>40,884</u>	<u>46,875</u>	<u>92,321</u>
Charge for the year	-	-	6,124	4,727	988	11,839
Disposals	-	-	-	-	47,863	47,863
At 31st December, 2013	<u>-</u>	<u>-</u>	<u>10,686</u>	<u>45,611</u>	<u>-</u>	<u>56,297</u>
Net carrying value						
At 31st December, 2012	<u>33,017,910</u>	<u>1,158,500</u>	<u>92,188</u>	<u>27,763</u>	<u>8,602</u>	<u>34,304,963</u>
At 31st December, 2013	<u>33,017,910</u>	<u>1,158,500</u>	<u>86,064</u>	<u>23,036</u>	<u>-</u>	<u>34,285,510</u>

	Non-current		Current	
	As at 31.12. 2013	As at 31. 12. 2012	As at 31.12. 2013	As at 31. 12. 2012
	₹	₹	₹	₹
6 Loans and advances				
Unsecured, considered good.....				
Security deposit	50,000	50,000	-	-
Advance recoverable in cash or kind.....	-	-	781,250	312,500
Prepaid expenses	-	-	12,500	12,500
	<u>50,000</u>	<u>50,000</u>	<u>793,750</u>	<u>325,000</u>

Particulars	Non current		Current	
	As at 31.12. 2013	As at 31. 12. 2012	As at 31.12. 2013	As at 31. 12. 2012
	₹	₹	₹	₹
7 Other current assets				
Non-current bank balances (Refer note 8).....	25,000,000	25,000,000	-	-
Interest accrued on fixed deposit	-	-	381,627	485,093
TDS receivable	-	-	696,002	307,287
Value added tax receivable.....	-	-	61,616	58,183
	<u>25,000,000</u>	<u>25,000,000</u>	<u>1,139,245</u>	<u>850,563</u>

Notes to the Financial Statements (Contd.)

	As at 31.12. 2013 ₹	As at 31.12.2012 ₹
8 Cash and bank balances		
Cash and cash equivalents		
Balances with banks.....		
In current accounts.....	10,664,794	3,486,344
Deposits with original maturity of less than three months.....	12,500,000	18,750,000
Cash on hand.....	27,134	7,786
	23,191,928	22,244,130
Other Bank Balances		
Deposits with original maturity for more than 12 months.....	25,000,000	25,000,000
	25,000,000	25,000,000
	48,191,928	47,244,130
Amount disclosed under non-current assets (Refer note - 7).....	(25,000,000)	(25,000,000)
	23,191,928	22,244,130
	2013	2012
	₹	₹
9 Other income		
Interest on bank fixed deposits.....	2,591,435	2,048,583
Profit on sale of fixed assets.....	12,850	-
	2,604,285	2,048,583
10 Other expenses		
Rates & taxes.....	391,447	232,733
Renewal expenses.....	41,719	41,406
Auditors remuneration *.....	46,875	56,250
Brokerage & commission.....	-	6,250
Bank charges & commission.....	-	313
Repairs & maintenance.....	500	825
Office rent expenses.....	300,000	262,500
Travelling expenses.....	12,984	30,163
Recruitment expenses.....	-	1,859
Conference expenses.....	-	50,000
Fine & penalties.....	-	1,250
Guest house maintenance charges.....	67,083	77,908
Electricity and water charges.....	12,769	9,181
Legal and consultancy fees.....		157,218
Telephone and internet expenses.....	24,055	23,041
Printing and stationery expenses.....	487	3,995
Conveyance expenses.....	8,125	10,438
Postage & courier expenses.....	625	741
	906,669	966,071
* Auditors remuneration include :		
Audit fees- statutory audit.....	37,500	37,500
For other services.....	9,375	18,750
	46,875	56,250

Notes to the Financial Statements (Contd.)

11 Earning per share :

In accordance with Accounting Standard 20-Earning per Share prescribed by The Institute of Chartered Accountants of India, the computation of earnings per share is set out below:

Particulars	2013 ₹	2012 ₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	2,214,595	1,454,595
ii) Number of shares at the end of the year	2,214,595	2,214,595
iii) Weighted average number of shares outstanding during the year	2,214,595	1,838,738
Net profit after tax available for equity shareholders (₹)	1,686,100	926,834
Basic earnings per share (in ₹)	0.76	0.50

Note: The Company does not have any dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

12 Related party disclosure

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

a) Names of related parties where control exists :

Party	Nature of Relationship
Holcim Ltd., Switzerland	Ultimate Holding company
Ambuja Cements Limited, India	Holding Company

b) Disclosure required for related parties transactions :

Transactions	Holding Company - Ambuja Cements Limited	
	2013 ₹	2012 ₹
Issue of equity shares	-	45,000,000

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

13 As on 31.12.2013, there are no amounts due to the Micro, Small and Medium Enterprises, suppliers' defined under "The Micro Small and Medium Enterprises Development Act, 2006"

14 The Company has not started its operation. However, having regard to the future business plans of the Company, the financial statements have been prepared on a going concern basis and no adjustments are required to the carrying value of assets and liabilities.

15 Figures in the financial statements are rounded off to nearest rupee.

16 The previous year's figures have been re-grouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to notes 1 to 16

As per our attached report of even date

For B & B ASSOCIATES

Chartered Accountants

B. M. Dhungana

Partner

Place: Kathmandu

Date : 22nd January, 2014

For and on behalf of the Board

Abhijit Ghosh

Director

Place: Mumbai

Date : 22nd January, 2014

Sanjeev Churiwala

Director

Independent Auditors' Report

To,

The Members of Dirk India Private Limited

Report on the Financial Statements

I have audited the accompanying financial statements of **DIRK INDIA PRIVATE LIMITED** ('the Company') which comprise of the balance sheet as at 31st December, 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

These financial statements have been prepared solely to enable Ambuja Cements Limited to prepare its group financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements subject to the notes thereon 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:

- (i) In the case of the balance sheet, of the state of affairs of the Company as at 31st December, 2013;
- (ii) In the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 227(3) of the Act, I report that :

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;

Independent Auditors' Report (Contd.)

- b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In my opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read with notes thereon comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

This report is furnished solely for use in preparing the consolidated financial statements of Ambuja Cements Limited in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements (to the extent applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Anand S. Daga

Chartered Accountant

Proprietor

Membership No. 048684

Place : Nashik

Date : 17th January, 2014

Balance Sheet As at 31st December, 2013

	Note	As at 31.12.2013 ₹	As at 31.12.2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	20,753,830	20,753,830
Reserves and surplus.....	3	<u>(117,069,049)</u>	<u>22,034,193</u>
		(96,315,219)	42,788,023
Non-current liabilities			
Long-term borrowings	4	148,238,912	76,973,920
Long-term provisions	5	<u>6,892,525</u>	<u>9,187,218</u>
		155,131,437	86,161,138
Current liabilities			
Short-term borrowings	6	171,100,000	80,375,940
Trade payables	7	39,076,149	119,032,204
Other current liabilities.....	8	71,246,655	69,973,006
Short-term provisions	5	<u>417,341</u>	<u>511,925</u>
		281,840,145	269,893,075
Total		<u>340,656,363</u>	<u>398,842,236</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	185,353,902	218,074,061
Intangible assets.....	9	<u>2,961,354</u>	<u>3,941,219</u>
		188,315,256	222,015,280
Deferred tax assets (net)	10	-	24,000
Long-term loans and advances	11	14,301,027	14,424,467
Other non-current assets.....	12	<u>3,183,086</u>	<u>1,906,306</u>
		17,484,113	16,354,773
Current assets			
Inventories.....	13	13,698,009	17,469,607
Trade receivables	14	11,968,733	56,060,046
Cash and bank balances.....	16	838,313	9,789,389
Short-term loans and advances	11	97,719,939	72,702,210
Other current assets	15	<u>10,632,000</u>	<u>4,450,931</u>
		134,856,994	160,472,183
Total		<u>340,656,363</u>	<u>398,842,236</u>

Significant accounting policies

1C

The accompanying notes are integral part of these financial statements.

As per my attached report of even date

For and on behalf of the Board

Anand Daga
Chartered Accountants
Proprietor
Membership No. 048684

Georg Dirk
Chairman

Vilas Deshmukh
Director

Place : Nashik
Date : 17th January, 2014

Statement of Profit and Loss
For the period 1st January, 2013 to 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Sale of products (gross).....		232,012,867	547,947,037
Less : Excise duty.....		7,516,553	15,413,784
Sale of products (net).....		224,496,314	532,533,253
Other operating revenues.....	17	244,655	5,597,752
Revenue from operation (net).....		224,740,969	538,131,005
Other income	18	7,292,853	6,055,688
Total revenue		232,033,822	544,186,692
Expenses			
Cost of raw materials consumed.....	19	65,796,925	71,233,770
Changes in inventories of finished goods	20	(919,004)	(692,904)
Employee benefits expense	21	54,639,745	84,767,980
Power & fuel.....		18,646,223	36,162,177
Freight and forwarding.....	22	81,403,858	211,178,605
Finance costs	23	33,275,410	24,732,524
Depreciation and amortization expense	24	26,197,204	24,893,857
Other expenses.....	25	92,072,704	122,236,314
Total expenses		371,113,065	574,512,324
Loss before tax.....		(139,079,243)	(30,325,631)
Tax expense :			
For the current year :			
Deferred tax (credit) / charge.....		24,000	(9,196,000)
		24,000	(9,196,000)
Relating to earlier years :			
Current tax.....		-	4,250,000
Deferred tax (credit) / charge		-	(3,700,000)
		-	550,000
		24,000	(8,646,000)
Loss for the year		(139,103,243)	(21,679,631)
Earnings per equity share of ₹ 10 each	26		
Basic.....		(67.03)	(10.45)
Diluted		(67.03)	(10.45)

Significant accounting policies

1C

The accompanying notes are integral part of these financial statements.

As per my attached report of even date

For and on behalf of the Board

Anand Daga
Chartered Accountants
Proprietor
Membership No. 048684

Georg Dirk Vilas Deshmukh
Chairman Director

Place : Nashik
Date : 17th January, 2014

Cash Flow Statement

For the period 1st January, 2013 to 31st December, 2013

	2013 ₹	2012 ₹
Cash flow from operating activities		
Net Profit before tax	(139,079,243)	(30,325,631)
Adjustments for :		
Depreciation and amortisation.....	26,197,204	24,893,857
Loss on sale of assets (Net)	6,302,962	84,536
Finance costs	33,275,410	24,732,524
Interest income.....	(7,292,853)	(6,055,688)
	58,482,723	43,655,229
Operating profit before working capital changes.....	(80,596,520)	13,329,598
Adjustment for :		
Trade receivables, loans & advances and other assets	13,015,954	(48,417,423)
Inventories.....	3,771,599	(230,162)
Trade payables, other liabilities and provisions	(75,798,122)	43,953,694
	(59,010,569)	(4,693,891)
Cash generated from / (used in) operations.....	(139,607,089)	8,635,706
Net income tax (Paid) / refunds.....	-	(550,000)
Net cash flow from / (used in) operating activities (A)	(139,607,089)	8,085,706
Cash flow from investing activities		
Purchase of assets, including capital work in progress and capital advances ..	(1,656,412)	(56,257,627)
Proceeds from sale of fixed assets.....	2,856,270	380,584
Redemption / (Investment) in bank deposit (having original maturity of more than three months)	5,280,000	(3,672,210)
Investment in bank deposit (having original maturity of more than twelve months).....	(1,276,780)	(1,806,306)
Interest received	7,292,853	6,055,688
Net cash flow from / (used in) investing activities (B)	12,495,932	(55,299,871)
	(127,111,157)	(47,214,165)
Cash flow from financing activities		
Repayment of long-term borrowings	(19,747,482)	(35,368,529)
Repayment of long-term borrowings - Holding company	(24,999,996)	-
Proceeds of long- term borrowings - Holding company	110,738,908	50,000,000
Inter corporate deposits from Holding company.....	171,100,000	-
Repayment of short term borrowings.....	(80,375,940)	24,661,292
Interest paid.....	(33,275,410)	(24,732,524)
Net cash flow from / (used in) financing activities (C)	123,440,080	14,560,238
Net increase / (decrease) in cash & cash equivalent (A+B+C)	(3,671,077)	(32,653,928)
Cash and cash equivalent at the beginning of the period	4,509,390	37,163,318
Cash and cash equivalent at the end of the period	838,313	4,509,390
	(3,671,077)	(32,653,928)
Components of cash and cash equivalents		
Cash on hand	87,314	267,367
With banks - on current account.....	750,999	1,917,051
With banks - demand deposit with maturity less than 3 months	-	2,324,972
	838,313	4,509,390
Add : With banks - demand deposit with maturity 3-12 months	-	5,280,000
Cash and bank balance as per note no. 16.....	838,313	9,789,390

Notes :

- 1) Figures in brackets represent cash outflow.
- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Significant accounting policies : Note 1C

The accompanying notes are integral part of these financial statements.

As per my attached report of even date

For and on behalf of the Board

Anand Daga
Chartered Accountants
Proprietor
Membership No. 048684

Georg Dirk
Chairman
Vilas Deshmukh
Director

Place : Nashik
Date : 17th January, 2014

Notes to the Financial Statements

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

1. (A) Corporate Information :

Dirk India Private Limited is engaged in the manufacturing of 'Cementitious Materials'. The company caters to domestic as well as international markets. The manufacturing plant of company is located in Nashik.

(B) Basis of Preparation of Financial Statements :

- (i) The financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis.
- (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

(C) Significant Accounting Policies :

(a) Fixed Assets:

- (i) Fixed Assets are stated at their original cost of acquisition/installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation, amortisation and impairment losses.
- (ii) Capital work in progress is stated at the amount expended up to the date of Balance Sheet.
- (iii) Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

(b) Depreciation on Fixed Assets :

(i) Tangible Assets :

- (I) Depreciation on all assets, other than Vehicles is provided on the "Straight Line Method" and on Vehicles on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (II) Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

(ii) Intangible Assets :

Expenditure on computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

(c) Inventories :

Inventories are valued at lower of cost less provision for slow and non-moving inventory, if any, and net realizable value . Cost of WIP and Finished Goods includes direct material, labour and appropriate proportion of manufacturing overheads. Cost of finished goods includes excise duty. Cost is determined on weighted average basis.

(d) Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

(e) Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

(f) Revenue recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

- (i) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of date of Bill of Lading. Sales are disclosed net of sales tax / VAT, discounts and returns, as applicable.

Notes to the Financial Statements (Contd.)

- (ii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Employee Benefits :

- (i) Defined Contribution Plan

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities and Labour Welfare Fund are considered as defined contribution plan and the same are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

- (ii) Defined Benefit Plan

Retirement benefit in the form of Gratuity, is considered as defined benefit obligation and is provided for on the basis of actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet. Actuarial gain / loss, if any, is immediately recognised in Profit & Loss Account.

(h) Borrowing Costs :

- (i) Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.
- (ii) Other borrowing costs are charged as expense in the year in which these are incurred.

(i) Taxation :

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-Tax Act. Deferred Income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realised in future whereas in case of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation backed by convincing evidence.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(j) Leases :

Where the Company is the lessee -

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(k) Segment Reporting Policies :

- (i) Identification of segments :

The Company considers 'Cementitious Materials' as one business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- (ii) Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(l) Cash and Bank balances :

- (i) Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.
- (ii) Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

(m) Investments :

"Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost."

(n) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements (Contd.)

	As at 31.12.2013	As at 31.12.2012
	₹	₹
2 Share capital		
Authorized		
3,000,000 (31.12.2012 - 3,000,000) Equity Shares of ₹ 10 each	30,000,000	30,000,000
Issued		
2,075,383 (31.12.2012 - 2,075,383) Equity Shares of ₹ 10 each fully paid up	20,753,830	20,753,830
Subscribed and paid up		
2,075,383 (31.12.2012 - 2,075,383) Equity Shares of ₹ 10 each fully paid up	20,753,830	20,753,830

As at 31.12.2013		As at 31.12.2012	
No. of Shares	₹	No. of Shares	₹

Notes :

a) Reconciliation of equity shares outstanding

At the beginning of the period	2,075,383	20,753,830	2,075,383	20,753,830
At the end of the period	2,075,383	20,753,830	2,075,383	20,753,830

b) Terms / right attached to equity shares

- i) The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding, ultimate holding company and their subsidiaries

Out of above equity shares issued by the company, shares held by its holding company, and their subsidiaries are as below :

Ambuja Cements Limited - Holding Company

1,660,306 (31.12.2012 - 1,660,306) Equity Shares of ₹ 10 each fully paid-up	16,603,060	16,603,060
---	-------------------	------------

d) Details of shareholders holding more than 5% shares in the Company (Equity shares of ₹ 10 each fully paid-up)

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
i) Ambuja Cements Limited - Holding Company.....	1,660,306	80.00%	1,660,306	80.00%
ii) Milbank Ltd	415,077	20.00%	415,077	20.00%

3 Reserves and surplus

General Reserve :

Balance as per the last financial statements.....	36,083,142	36,083,142
---	-------------------	------------

Deficit in the statement of profit and loss

Balance as per the last financial statements.....	(14,048,948)	7,630,682
Loss for the year.....	(139,103,243)	(21,679,631)
Net Deficit in the statement of profit and loss.....	(153,152,191)	(14,048,949)
Total	(117,069,049)	22,034,193

Notes to the Financial Statements (Contd.)

4 Long-term borrowings	Non-current		Current	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	₹	₹	₹	₹
Term loans				
Loan from bank of maharashtra #	-	1,973,916	2,127,997	19,901,563
Loans from Ambuja Cements Limited ##	148,238,912	75,000,004	37,500,000	24,999,996
	148,238,912	76,973,920	39,627,997	44,901,559
Amount disclosed under the head "Other current liabilities" (Refer Note 8).....	-	-	(39,627,997)	(44,901,559)
Total	148,238,912	76,973,920	-	-
The above amount includes				
Secured borrowings	-	1,973,916	2,127,997	19,901,563
Unsecured borrowings.....	148,238,912	75,000,004	37,500,000	24,999,996
Net amount	148,238,912	76,973,920	39,627,997	44,901,559
# Loan from Bank of Maharashtra	Term loans from the bank with floating interest @ 13% p.a.(As on 31st December, 2013)			
# Terms of repayment :	Term loan No. 60050955114 - repayable in 36 monthly installment of ₹ 5,56,000 each along with interest w.e.f. April' 2011 upto March, 2014			
# Secured by :	Secured against all fixed assets.			
## Terms of repayment of loans from Ambuja Cements Limited	(a) Loan of ₹ 50,000,000 - repayable in 36 monthly installment of ₹ 1,388,889 w.e.f. January, 2013			
	(b) Loan of ₹ 25,000,000 - repayable in 36 monthly installment of ₹ 694,444 w.e.f. January, 2013			
	(c) Loan of ₹ 25,000,000 - repayable in 24 monthly installment of ₹ 1,041,667 w.e.f. January, 2014			
	(d) Loan of ₹ 36,000,000 - repayable in 36 monthly installment of ₹ 1,000,000 w.e.f. January, 2015			
	(e) Loan of ₹ 74,738,908 - repayable in 36 monthly installment of ₹ 2,076,081 w.e.f. January, 2015			
	Term Loans from Ambuja Cements Limited with fixed interest @ 12% p.a. (As on 31st December, 2013). Interest is payable every year on 31st March.			
5 Provisions				
	Long-term		Short-term	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	₹	₹	₹	₹
Provision for employee benefits				
Provision for gratuity	6,892,525	9,187,218	417,341	511,925
Total	6,892,525	9,187,218	417,341	511,925
			As at	As at
			31.12.2013	31.12.2012
			₹	₹
6 Short-term borrowings				
From Bank of Maharashtra	Cash credit #			
			-	79,417,351
Loan against fixed deposit receipts			-	958,589
From Ambuja Cements Limited	Inter-corporate deposit			
			171,100,000	-
Total			171,100,000	80,375,940
The above amount includes				
Secured borrowings			-	80,375,940
# Secured by :	Hypothecation of inventory & receivables.			
	Rate of interest :			
	Cash credit.....			
			-	12.00% p.a.
	Loan against fixed deposit receipts.....			
			-	9.00% p.a.
	Inter-corporate deposit			
			12.00% p.a.	-

Notes to the Financial Statements (Contd.)

	As at 31.12.2013	As at 31.12.2012
	₹	₹
7 Trade payables		
Trade Payables (Refer note 38)	39,076,150	119,032,205
Total	39,076,150	119,032,205
8 OTHER CURRENT LIABILITIES		
Current maturities of Long-term borrowing (refer note 4)	39,627,997	44,901,559
Interest accrued but not due - Ambuja Cements Limited	23,648,707	7,442,623
Interest accrued but not due - Bank of Maharashtra	31,828	278,615
Statutory dues payable	2,877,568	4,122,022
Trade payable - capital goods	448,224	778,721
Advance received from customer	778,198	3,439,293
Security deposit	1,876,155	2,897,716
Others	1,957,979	6,112,458
Total	71,246,656	69,973,007

9 Tangible and intangible assets

(Amount in ₹)

	Tangible Assets							Intangible Assets		
	Freehold Land	Buildings and Roads	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Office & Other Equipments	Vehicles	Total	Computer Software	Total
Gross carrying value, at cost										
Opening as on 1st Jan, 2012...	1,996,890	59,488,760	209,927,164	9,211,495	8,247,702	4,246,978	-	293,118,988	3,211,503	3,211,503
Additions	-	4,630,216	57,924,315	1,525,719	414,456	508,819	98,264	65,101,789	2,221,970	2,221,970
Deductions / Transfers	-	-	798,316	-	-	14,000	-	812,316	-	-
As at 31st Dec, 2012	1,996,890	64,118,976	267,053,163	10,737,214	8,662,158	4,741,797	98,264	357,408,461	5,433,473	5,433,473
Additions	-	81,490	682,904	493,672	114,827	283,519	-	1,656,412	-	-
Deductions / Transfers	896,890	-	10,939,395	373,168	-	142,588	-	12,352,041	-	-
At 31st Dec, 2013	1,100,000	64,200,466	256,796,672	10,857,718	8,776,985	4,882,728	98,264	346,712,832	5,433,473	5,433,473
Depreciation / Amortisation										
Opening as on 1st Jan, 2012...	-	946,058	106,016,573	5,446,689	821,359	2,192,496	-	115,423,174	856,819	856,819
Charge for the year	-	1,743,080	20,433,380	939,285	534,076	586,578	22,023	24,258,422	635,435	635,435
Deductions / Transfers	-	-	345,153	-	-	2,043	-	347,196	-	-
As at 31st Dec, 2012	-	2,689,138	126,104,800	6,385,974	1,355,435	2,777,031	22,023	139,334,400	1,492,254	1,492,254
Charge for the year	-	1,799,267	21,428,360	984,087	551,468	428,716	25,441	25,217,339	979,865	979,865
Deductions / Transfers	-	-	3,019,663	142,538	-	30,608	-	3,192,809	-	-
At 31st Dec, 2013	-	4,488,405	144,513,497	7,227,523	1,906,903	3,175,139	47,464	161,358,930	2,472,119	2,472,119
Net carrying value										
As at 31st Dec, 2012	1,996,890	61,429,838	140,948,363	4,351,240	7,306,723	1,964,766	76,241	218,074,061	3,941,219	3,941,219
At 31st Dec, 2013	1,100,000	59,712,061	112,283,175	3,630,195	6,870,082	1,707,589	50,800	185,353,902	2,961,354	2,961,354

Notes to the Financial Statements (Contd.)

	As at 31.12.2013		As at 31.12.2012	
	₹		₹	
10 Deferred tax asset (net)				
Break-up of deferred tax assets and liabilities are as under :				
a) Deferred tax assets, on account of :				
Employee benefits	2,388,000		3,146,900	
Unabsorbed loss.....	10,307,000		11,189,624	
Total	12,695,000		14,336,524	
b) Deferred tax liabilities, on account of :				
Depreciation	(12,695,000)		(14,312,524)	
Total	(12,695,000)		(14,312,524)	
			-	24,000
	Non-current		Current	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	₹	₹	₹	₹
11 Loans and advances				
Unsecured, considered good				
Capital advances.....	424,129	424,129	-	-
Security deposit	4,575,070	4,601,570	-	-
Dirk Pozzocrete (MP) Pvt Ltd	-	-	76,805,802	54,692,342
Advances recoverable in cash or kind	-	-	1,426,539	2,273,022
Other Loans and advances				
Service tax receivable	-	-	13,597,346	9,667,244
MAT credit entitlement	9,301,828	9,301,828	-	-
Electricity duty receivable.....	-	-	1,087,605	1,087,605
TDS / Income tax receivable.....	-	-	634,765	33,761
Excise duty balance	-	-	3,084,546	3,649,741
Loan / advances to employees	-	50,240	251,437	435,800
Prepaid expenses	-	46,700	831,899	862,695
Total	14,301,027	14,424,467	97,719,939	72,702,210
			As at	As at
			31.12.2013	31.12.2012
			₹	₹
12 Other non-current assets				
Investment in equity shares in Dirk Pozzocrete MP Pvt Ltd (100% subsidiary) 10,000 (31.03.12 10,000) equity shares of face value ₹ 10 each fully paid up	100,000		100,000	100,000
Deposits with original maturity for more than 12 months	3,083,086		1,806,306	
Total	3,183,086		1,906,306	
13 Inventories				
(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)				
Raw materials	342,245		166,164	
Finished goods	3,990,312		3,071,308	
Stores and spares parts.....	5,220,718		9,177,442	
Packing materials	4,144,734		5,054,693	
Total	13,698,008		17,469,607	

Notes to the Financial Statements (Contd.)

	As at 31.12.2013	As at 31.12.2012
	₹	₹
14 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good.....	1,466,923	4,698,984
Unsecured, considered doubtful	1,679,518	-
	<u>3,146,441</u>	4,698,984
Provision for Doubtful Debts.....	(1,679,518)	-
	<u>1,466,923</u>	4,698,984
Other receivables		
Unsecured, considered good	10,501,810	51,361,062
Total	<u>11,968,733</u>	<u>56,060,046</u>
15 Other current assets		
Unsecured, considered good		
Interest accrued on fixed deposit.....	356,182	428,113
Interest accrued - Dirk Pozzocrete (MP) Pvt Ltd.....	4,242,348	4,022,818
Receivable from Directors (Refer note 39)	6,033,470	-
Total	<u>10,632,000</u>	<u>4,450,931</u>
	As at 31.12.2013	As at 31.12.2012
	₹	₹
16 Cash and bank balances		
Cash and Cash Equivalents		
Balances with bank :		
In Current accounts.....	750,999	1,917,051
Deposit with original maturity upto 3 months #.....	-	2,324,972
Cash on hand	87,314	267,367
	<u>838,313</u>	4,509,390
Other bank balances :		
Fixed deposit with banks		
Original maturity more than 12 months #	3,083,086	1,806,306
Original maturity more than 3 months and upto 12 months #	-	5,280,000
	<u>3,083,086</u>	7,086,306
Amount disclosed under Non-current assets (Refer note 12)	(3,083,086)	(1,806,306)
Total	<u>838,313</u>	<u>9,789,390</u>
# Deposits are offered as security for loan / kept as margin money against bank guarantees		
	2013	2012
	₹	₹
17 Other operating revenue		
Miscellaneous balances written back.....	-	820,194
Sale of scrap.....	152,553	1,566,867
Profit on sales of traded goods	78,938	3,210,691
Exchange rate variation (Net)	13,164	-
Total	<u>244,655</u>	<u>5,597,752</u>

Notes to the Financial Statements (Contd.)

	2013	2012
	₹	₹
18 Other income		
Interest income on		
Interest on bank deposits.....	318,397	1,066,080
Interest - Others.....	-	30,803
Interest - Dirk pozzocrete (mp) pvt ltd.....	6,974,456	4,958,805
Total	<u>7,292,853</u>	<u>6,055,688</u>
19 Cost of raw materials consumed		
Opening stock.....	166,164	99,042
Add : Purchases.....	65,973,005	71,300,892
Less : Closing stock	342,245	166,164
Total	<u>65,796,925</u>	<u>71,233,770</u>
Break-up of raw materials consumed		
Fly ash	62,138,274	69,354,471
Cement	3,658,651	1,879,300
	<u>65,796,925</u>	<u>71,233,770</u>
20 Changes in inventories of finished goods		
Closing stock :		
Finished goods - closing.....	3,990,312	3,071,308
Opening stock :		
Finished goods - opening.....	3,071,308	2,378,404
Total	<u>(919,004)</u>	<u>(692,904)</u>
21 Employee benefits expense		
Salaries and wages (Refer note 39)	50,917,366	78,977,019
Contribution to provident and other fund	959,579	992,845
Staff welfare expenses	2,762,800	4,798,115
Total	<u>54,639,745</u>	<u>84,767,979</u>
22 Freight and forwarding expenses		
On finished products.....	81,403,858	211,178,607
Total	<u>81,403,858</u>	<u>211,178,607</u>
23 Finance costs		
Interest :		
On term loans	1,747,917	6,758,324
On working capital loans.....	4,323,793	10,253,125
On Inter-corporate deposit.....	7,534,228	-
On others.....	19,011,740	6,313,078
	<u>32,617,678</u>	<u>23,324,527</u>
Other borrowing cost.....	657,732	1,407,997
Total	<u>33,275,410</u>	<u>24,732,524</u>
24 Depreciation and amortization expense		
Depreciation on tangible assets.....	25,217,339	24,258,422
Depreciation on intangible assets	979,865	635,435
Total	<u>26,197,204</u>	<u>24,893,857</u>

Notes to the Financial Statements (Contd.)

	2013	2012
	₹	₹
25 Other expenses		
Stores & spares consumed	4,415,383	10,090,771
Provision for slow and non-moving spares	1,536,276	-
Packing material consumed.....	17,349,504	30,400,752
Repairs and maintenance :		
Building.....	1,634,002	1,668,965
Machinery	2,629,104	2,648,220
Other	186,448	219,703
Rent	4,153,388	3,843,489
Insurance.....	975,971	625,393
Advertisement & publicity	4,730,363	5,126,128
Commission on sales.....	1,589,503	3,527,706
Selling & distribution expenses	5,527,567	7,795,642
Bad debts	-	125,561
Loss on sale of assets (Net)	6,302,962	84,536
Donation.....	3,500	260,001
Miscellaneous expenses #	20,338,194	40,313,100
Legal and professional fees.....	16,696,624	14,384,420
Provision for Doubtful Debts.....	1,679,518	-
Excise duty variation on opening and closing stock	27,672	76,983
Technology and know how fees	2,296,725	-
Exchange rate variation.....	-	1,044,945
Total	92,072,704	122,236,314
# Miscellaneous expenses include payment to statutory auditors (excluding service tax)		
As auditors	600,000	600,000
For other services.....	400,000	400,000
For reimbursement of expenses.....	-	-
26 Earnings per share (EPS)		
I Profit attributable to equity shareholders for basic and diluted EPS.....	(139,103,243)	(21,679,631)
	Nos.	Nos.
II Weighted average number of equity shares for basic & diluted EPS	2,075,383	2,075,383
	₹	₹
III Nominal Value of equity shares (₹).....	10	10
IV Earnings per equity share :		
Basic.....	(67.03)	(10.45)
Diluted	(67.03)	(10.45)

Notes to the Financial Statements (Contd.)

27 Related party disclosure

(a) List of Related Parties and relationships :

Party	Relation
I. Enterprises who control the reporting enterprise/ Major Shareholders :	
Holcim Ltd., Switzerland	Ultimate Holding Company
Ambuja Cements Ltd	Holding Company
Millbank Ltd	Major Shareholder
II. Name of the enterprise where control exist :	
Dirk Pozzocrete (MP) Pvt Ltd	Subsidiary Company
III. Key Management Personnel :	
Mr. Georg Dirk	Chairman
Mr. Saji Pillai	Chief Executive Officer (w.e.f 05th September 2013)
IV. Relatives of Key Management Personnel	
Mr. Georg S Dirk	Son of Mr. Georg Dirk
Mrs. Ivana Dirk	Wife of Mr. Georg Dirk
Mr. Ajit Pillai	Brother of Mr. Saji Pillai
V. Enterprises over which significant influence is exercised by Directors/Group Companies :	
Dirk Pozzocrete (I) Pvt Ltd.	Chairman having significant influence.
ACC Ltd	Fellow Subsidiary
Holcim Singapore PTE Ltd	Fellow Subsidiary
Holcim Lanka Ltd	Fellow Subsidiary

Note: Only enterprises / parties with whom there are transactions during the current period / previous period are considered above.

(b) Details of material related party transactions :

(Amount in ₹)

Description	Holding Company	Subsidiary	Fellow Subsidiary				Key Management Personnel			Relatives of Key Management Personnel			Enterprises over which significant influence exercised by Directors
	Ambuja Cements Limited	Dirk Pozzocrete MP Pvt Ltd	Millbank Ltd	ACC Concrete Ltd	Holcim Singapore PTE Ltd	Holcim Lanka Ltd	Mr. George Dirk	Mr. Reinhard Sniezyk	Mr. Saji Pillai	Mrs. Ivana Dirk	Mr. Ajit Pillai	Mr. Georg Dirk P. Dirk Media	Dirk Pozzocrete (I) Pvt Ltd
Sale of Goods	56,352 (17,187)	3,767,675 (3,779,685)	-	6,839,251 (9,886,808)	15,376,763 (11,437,342)	- (1,738,591)	-	-	-	-	-	-	-
Purchase of Goods	4,655,850 (2,040,862)	3,189,947	-	-	-	-	-	-	-	-	-	-	-
Technology & Know-How Fees	2,296,725	-	-	-	-	-	-	-	-	-	-	-	-
Salary/ Remuneration	-	-	-	-	-	-	6,453,024 (14,079,200)	-	498,436	7,163,252 (7,559,509)	103,120	-	-
Interest Received	-	6,974,456 (4,958,805)	-	-	-	-	-	-	-	-	-	-	-
Interest Paid / Provided	26,545,968 (9,442,623)	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	10,000 (6,212)	-	1,064,971	-	- (376,584)	-	-	-	-	-	-	246,458 (1,488,367)	720,000 (720,000)
Loan repaid during the period	24,999,996	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Contd.)

(b) Details of material related party transactions : (Contd.)

(Amount in ₹)

Description	Holding Company	Subsidiary	Fellow Subsidiary				Key Management Personnel			Relatives of Key Management Personnel			Enterprises over which significant influence exercised by Directors
	Ambuja Cements Limited	Dirk Pozzocrete MP Pvt Ltd	Milbank Ltd	ACC Concrete Ltd	Holcim Singapore PTE Ltd	Holcim Lanka Ltd	Mr. George Dirk	Mr. Reinhard Sniezyk	Mr. Saji Pillai	Mrs. Ivana Dirk	Mr. Ajit Pillai	Mr. Georg Dirk P. Dirk Media	Dirk Pozzocrete (I) Pvt Ltd
Loan taken during the period	110,738,908 (50,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken during the period	171,100,000	-	-	-	-	-	-	-	-	-	-	-	-
Loan given during the period	-	22,113,460 (28,134,562)	-	-	-	-	-	-	-	-	-	-	-
Loan /ICD taken outstanding at the end of the period	356,838,912 (100,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
Loan given outstanding at the end of the period	-	76,805,802 (54,692,342)	-	-	-	-	-	-	-	-	-	-	-
Amount Receivable	-	4,242,348 (2,866)	-	69,093 (1,902,210)	-	-	6,033,470	-	144,882	43,502	-	-	332,589
Amount Payable	25,234,905 (8,792,435)	-	-	-	-	-	(1,903,324)	(812,921)	-	(1,024,760)	-	(78,040)	(17,651)

Notes :

- 1) Related party relationship is as identified by the company on the basis of available information.
- 2) Figures in bracket are for the previous period
- 3) Current period salary to Mr. Dirk is net off the excess amount recoverable from him ₹ 60,33,470/- as per note no. 39

28 Disputed with Mahagenco

The Company's agreement for fly ash with Maharashtra State Power Generation Company Limited (Mahagenco – earlier a part of Maharashtra State Electricity Board) is in dispute. Various cases related to this matter (claims & counter claims of both the parties) are now before Honourable Supreme Court and Honourable High Court at Mumbai. During the year, Mahagenco has discontinued the supply of fly ash. Based on advice of external legal counsel, the Company believes that it has good case. Accordingly, the financial statements are prepared on a going concern basis.

29 Contingent liabilities and commitments (to the extent not provided for)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
a. Claims against the company not acknowledged as debts - Dispute with suppliers	979,127	979,127
b. Guarantees given to bank of maharashtra for term loan availed by Dirk Pozzocrete (MP) Private Limited	11,105,732	15,109,446
c. Bank Guarantee given to Central Excise and Customs Department for Duty Free Imports (EPCG License) / Other issues	374,341	374,341
d. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	-	181,740

Notes to the Financial Statements (Contd.)

	2013 ₹	2012 ₹
30 Segment Reporting		
a) Primary segment - The company has only one business segment 'Cementitious Materials' as primary segment		
b) The secondary segment is geographical, which is given as under :		
i) Sale of product (Net off excise duty)		
Within india.....	112,078,409	331,450,056
Outside india.....	112,417,905	201,083,197
Total	224,496,314	532,533,253
ii) Other operating revenue		
Within india.....	244,655	5,597,752
Outside india.....	-	-
Total	244,655	5,597,752
iii) Other income		
Within india.....	7,292,853	6,055,688
Outside india.....	-	-
Total	7,292,853	6,055,688
	As at	As at
	31.12.2013	31.12.2012
	₹	₹
c) All the Assets / Liabilities of the company, except the following are within India.		
Debtors / Advances to suppliers.....	3,572,120	3,474,013
Creditors / Payables / Advances from customers.....	184,563	6,781,770

		As at 31.12.2013		As at 31.12.2012	
		Foreign Currency	In ₹	Foreign Currency	In ₹
31 Unhedged foreign currency exposure					
1 Outstanding trade payables for expenses	In Euro	-	-	40,301	2,912,171
	In GBP	-	-	11,578	1,024,760
2 Outstanding trade receivables	In USD	57,717	3,572,120	63,429	3,474,013
3 Advance from customers	In USD	2,982	184,563	51,942	2,844,839

32 Employee Defined Benefits

	2013 ₹	2012 ₹
a) Defined Contribution Plans - The Company has recognised expenses towards the defined contribution plans as under :		
Contribution to Provident Fund.....	956,699	984,805
Others	2,880	8,040

b) Defined Benefit Plans - As per Actuarial Valuation

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service

The following table summarise the components of net benefit / expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet

Particulars	Amount in ₹	
	2013 Gratuity Non Funded	2012 Gratuity Non Funded
l) Expense recognised in the Statement of Profit & Loss Account		
1. Current Service Cost.....	1,107,311	878,938
2. Interest Cost	824,427	597,667
3. Employee Contributions	-	-
4. Expected Return on Plan Assets.....	-	-

Notes to the Financial Statements (Contd.)

		(Amount in ₹)	
		2013	2012
		Gratuity	Gratuity
		Non Funded	Non Funded
32	Employee defined benefits (Contd.)		
	5. Actuarial (Gains) / Losses	(3,498,053)	1,933,196
	6. Past Service Cost	-	-
	7. Settlement Cost	-	-
	8. Losses / (gains) on acquisition / divesture	-	-
	9. Total Expense	(1,566,315)	3,409,801
II)	Net Asset / (Liability) recognised in the Balance Sheet		
	1. Present Value of Defined Benefit Obligation	7,309,866	9,699,143
	2. Fair Value of Plan Assets	-	-
	3. Funded Status [Surplus / (Deficit)]	-	-
	4. Net Asset/ (Liability)	(7,309,866)	(9,699,143)
III)	Change in Obligation during the Year		
	1. Present value of Defined Benefit Obligation at the beginning of the year (provision made out of reserves)	9,699,143	6,640,745
	2. Current Service Cost	1,107,311	878,938
	3. Interest Cost	824,427	597,667
	4. Settlement Cost	-	-
	5. Past Service Cost	-	-
	6. Employee Contributions	-	-
	7. Liabilities assumed on acquisition/(settled on divesture)	-	-
	8. Actuarial (Gains) / Losses	(3,498,053)	1,933,196
	9. Benefits Payments	(822,962)	(351,403)
	10. Present Value of Defined Benefit Obligation at the end of the year	7,309,866	9,699,143
IV)	Actuarial Assumptions:		
	1. Discount Rate	9.00%	8.50%
	2. Expected rate of return on plan assets	NA	NA
	3. Mortality	IALM (2006-08) Ultimate	LIC (1994-96) Mortality Tables
	4. Turnover rate	2.00%	2.00%
	5. Medical premium inflation	NA	NA
	6. Salary Escalation	8% p.a.	8% p.a.
V)	Amounts recognized as an expense in respect of defined benefit plans as under :		
		2013	2012
		₹	₹
	Gratuity	(1,566,315)	3,409,801
VI)	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
c)	Amount for the current period and previous period are as follows :		
		As at	As at
		31.02.2013	31.02.2012
		₹	₹
		As at	As at
		31.02.2011	31.02.2011
		₹	₹
i)	Gratuity - Non Funded		
	Defined benefit obligation	7,309,866	9,699,143
	Plan assets	-	-
	Surplus / (deficit)	-	-
	Experience adjustments on plan assets	-	-
	Experience adjustments on plan liabilities	(3,088,155)	(455,740)
		(166,353)	(166,353)

Notes to the Financial Statements (Contd.)

	2013 ₹	2013 Percentage	2012 ₹	2012 Percentage
33 a) Raw material consumed				
(i) Imported	-	-	-	-
(ii) Indigenous	65,796,925	100.00	71,233,770	100.00
Total	65,796,925	100.00	71,233,770	100.00
b) Spares consumed				
(i) Imported	2,166,948	49.08	2,500,007	24.78
(ii) Indigenous	2,248,435	50.92	7,590,764	75.22
Total	4,415,383	100.00	10,090,771	100.00
			2013	2012
			₹	₹
34 CIF value of imports				
(i) Packing material			3,348,803	2,124,442
(ii) Spares			205,524	4,793,272
35 Expenditure/payment in foreign currency (accrual basis)				
(i) Legal & professional fees			1,690,388	1,795,706
(ii) Travelling expenses			356,884	868,860
(iii) Other matters			17,173,401	32,089,786
36 Fob value of exports				
FOB value of exports			88,777,303	141,468,815
37 Capital work-in-progress :				
Capital work-in-progress includes expenditure during construction for project.....			-	-
38 The company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year- end as required under the said Act have not been furnished.				
39 The company had made application with Ministry of Corporate Affairs, Government of India for approval of directors remuneration and remuneration paid to relative of a director. The company has received the approval for a lower amount in case of directors. The figure shown in Salaries and wages is net off the excess amount recoverable from directors ₹ 60,33,470. This amount is taken as certified by the company's management and a practising company secretary. Approval in case of relative of a director is yet to be received.				
40 Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current years presentation.				

Signatures to notes 1 to 40

As per our report of even date

Anand Daga
Chartered Accountants
Proprietor
Membership No. 048684

Place : Nashik

Date : 17th January, 2014

For and on behalf of the Board

Georg Dirk Vilas Deshmukh
Chairman Director

Independent Auditors' Report

To,
**The Members of
DIRK POZZOCRETE (MP) PRIVATE LIMITED**

Report on the Financial Statements

I have audited the accompanying financial statements of **DIRK POZZOCRETE (MP) PRIVATE LIMITED** ('the Company') which comprise of the balance sheet as at 31st December, 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

These financial statements have been prepared solely to enable Ambuja Cements Limited to prepare its group financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements subject to the notes thereon 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:

- (i) In the case of the balance sheet, of the state of affairs of the Company as at 31st December, 2013;
- (ii) In the case of the statement of profit and loss, of the loss for the year ended on that date;
and
- (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 227(3) of the Act, I report that :

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In my opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read with notes thereon comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

This report is furnished solely for use in preparing the consolidated financial statements of Ambuja Cements Limited in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements (to the extent applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Anand S. Daga

Chartered Accountant
Proprietor
Membership No. 048684

Place : Nashik

Date : 17th January, 2014

Balance Sheet As at 31st December, 2013

	As at 31.12.2013	As at 31.12.2012
Note	₹	₹
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2 100,000	100,000
Reserves and surplus	3 (48,129,154)	(33,842,275)
	<u>(48,029,154)</u>	<u>(33,742,275)</u>
Non-current liabilities		
Long-term borrowings	4 1,406,250	9,315,082
Long-term provisions	5 147,784	118,929
	<u>1,554,034</u>	<u>9,434,011</u>
Current liabilities		
Trade payables	6 4,751,928	10,007,223
Other current liabilities	7 91,470,838	65,186,729
Short-term provisions	5 290	208
	<u>96,223,056</u>	<u>75,194,160</u>
Total	<u>49,747,936</u>	<u>50,885,896</u>
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	8 24,945,685	25,884,274
Intangible assets	-	-
Capital work in progress (Refer note 28)	<u>18,748,108</u>	<u>16,576,243</u>
	<u>43,693,793</u>	<u>42,460,517</u>
Long-term loans and advances	9 395,005	438,516
	<u>395,005</u>	<u>438,516</u>
Current assets		
Inventories	10 2,351,924	2,255,556
Trade receivables	11 2,175,237	4,071,810
Cash and bank balances	12 371,345	140,859
Short-term loans and advances	9 760,632	1,518,638
	<u>5,659,138</u>	<u>7,986,862</u>
Total	<u>49,747,936</u>	<u>50,885,896</u>

Significant accounting policies

1C

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

Anand Daga

Chartered Accountants

Proprietor

Membership No. 048684

Georg Dirk

Chairman

Saji Pillai

Director

Place : Nashik

Date : 17th January, 2014

Statement of Profit and Loss
For the period 1st January, 2013 to 31st December, 2013

	Note	2013 ₹	2012 ₹
Revenue			
Sale of products (gross).....		12,827,431	19,349,994
Less : Excise duty.....		<u>719,855</u>	<u>888,232</u>
Sale of products (net).....		12,107,577	18,461,762
Other operating revenues.....	13	<u>1,518,250</u>	45,660
Revenue from operation (net).....		13,625,827	18,507,422
Other income	14	<u>16,812</u>	-
Total revenue		<u><u>13,642,639</u></u>	<u><u>18,507,422</u></u>
Expenses			
Cost of raw materials consumed.....	15	5,343,978	8,698,864
Changes in inventories of finished goods	16	(113,480)	38,403
Employee benefits expense	17	3,233,041	4,076,525
Power & fuel.....		801,490	1,129,582
Freight and forwarding.....	18	3,541,778	5,612,049
Finance costs	19	6,900,127	7,089,833
Depreciation and amortization expense	20	1,266,879	1,256,888
Other expenses.....	21	<u>6,955,705</u>	<u>8,872,455</u>
Total expenses		<u><u>27,929,518</u></u>	<u><u>36,774,598</u></u>
Loss before tax.....		(14,286,880)	(18,267,177)
Loss for the year		<u><u>(14,286,880)</u></u>	<u><u>(18,267,177)</u></u>
		1,701,479	1,213,215
Earnings per equity share of ₹ 10 each	22		
Basic.....		(1,428.69)	(1,826.72)
Diluted		(1,428.69)	(1,826.72)

Significant accounting policies

1C

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

Anand Daga
Chartered Accountants
Proprietor
Membership No. 048684

Georg Dirk Saji Pillai
Chairman Director

Place : Nashik

Date : 17th January, 2014

Cash Flow Statement

For the period 1st January, 2013 to 31st December, 2013

	2013	2012
	₹	₹
Cash flow from operating activities		
Net Profit before tax	(14,286,880)	(18,267,177)
Adjustments for :		
Depreciation and amortisation.....	1,266,879	1,256,888
Profit on sale of assets	0	-
Finance costs	6,900,127	7,089,833
Interest income.....	(16,812)	-
	8,150,194	8,346,721
Operating profit before working capital changes	(6,136,686)	(9,920,456)
Adjustment for :		
Trade receivables, loans & advances and other assets	2,613,279	196,316
Inventories.....	(96,368)	34,720
Trade payables, other liabilities and provisions	17,222,356	34,486,806
	19,739,266	34,717,842
Cash generated from / (used in) operations.....	13,602,580	24,797,385
Net income tax (Paid) / refunds.....	-	-
Net cash flow from / (used in) operating activities (A)	13,602,580	24,797,385
Cash flow from investing activities		
Purchase of assets, including capital work in progress and capital advances	(2,415,346)	(12,975,027)
Interest received	16,811	-
Net cash flow from / (used in) investing activities (B)	(2,398,535)	(12,975,027)
	11,204,045	11,822,358
Cash flow from financing activities		
Repayment of long-term borrowings	(4,073,432)	(4,746,099)
Interest paid.....	(6,900,127)	(7,089,832)
Net cash flow from / (used in) financing activities (C)	(10,973,559)	(11,835,931)
Net increase / (decrease) in cash & cash equivalent (A+B+C).....	230,486	(13,573)
Cash and cash equivalent at the beginning of the year.....	140,859	154,432
Cash and cash equivalent at the end of the year	371,345	140,859
	230,486	(13,573)
Components of cash and cash equivalents		
Cash on hand	20,364	20,364
With banks - on current account.....	350,981	120,495
With banks - demand deposit with maturity less than 3 months	-	-
	371,345	140,859
Add : With banks - demand deposit with maturity 3-12 months	-	-
Cash and bank balance as per note no. 12.....	371,345	140,859

Note :

Figures in brackets represent cash outflow.

Significant accounting policies : Note 1C

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board

Anand Daga

Chartered Accountants

Proprietor

Membership No. 048684

Georg Dirk

Chairman

Saji Pillai

Director

Place : Nashik

Date : 17th January, 2014

Notes to the Financial Statements

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

(A) Corporate Information :

Dirk Pozzocrete (MP) Private Limited is engaged in the manufacturing of 'Cementitious Materials' . The company caters to domestic markets. The manufacturing plant of company is located at Village Khanpura , Dt. Raisen in Madhya Pradesh.

(B) Basis of Preparation of Financial Statements :

- (i) The financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis.
- (iii) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

(C) Significant Accounting Policies :

(a) Fixed Assets :

- (i) Fixed Assets are stated at their original cost of acquisition/installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation and amortisation, except freehold non mining land which is carried at cost less impairment losses.
- (ii) Capital work in progress is stated at the amount expended up to the date of Balance Sheet.

Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

(b) Depreciation on Fixed Assets :

- (i) Depreciation on all assets is provided on the "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

(c) Inventories :

Inventories are valued at lower of cost and net realizable value . Cost of WIP and Finished Goods includes direct material, labour and appropriate proportion of manufacturing overheads. Cost of finished goods includes excise duty. Cost is determined on weighted average basis.

(d) Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

(e) Revenue recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers. Sales are disclosed net of sales tax / VAT, discounts and returns, as applicable.

Notes to the Financial Statements (Contd.)

(f) Employee Benefits :

(i) Defined Contribution Plan

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities and Labour Welfare Fund are considered as defined contribution plan and the same are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefit in the form of Gratuity, is considered as defined benefit obligation and is provided for on the basis of actuarial valuation, as at the date of Balance Sheet. Actuarial gain / loss, if any, is immediately recognised in Profit & Loss Account.

(g) Borrowing Costs :

(i) Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.

(ii) Other borrowing costs are charged as expense in the year in which these are incurred.

(h) Taxation :

Tax expense, if any, comprises of both current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rate and tax laws. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent period and are measured using tax rate enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Assets are not recognised unless, in the management judgement, there is virtual certainty that sufficient future taxable income will be available against with such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each balance - sheet date.

(i) Leases :

Where the Company is the lessee -

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(j) Segment Reporting Policies :

(i) Identification of segments :

The Company considers 'Cementitious Materials' as one business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(ii) Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(k) Cash and Bank balances :

(i) Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash in hand.

(ii) Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short -term investments with an original maturity of three months or less.

(l) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements (Contd.)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
2 Share capital		
Authorised		
500,000 (31.12.2012 - 500,000) Equity Shares of ₹ 10 each.....	<u>5,000,000</u>	<u>5,000,000</u>
Issued		
10,000 (31.12.2012 - 10,000) Equity Shares of ₹ 10 each fully paid up	<u>100,000</u>	<u>100,000</u>
Subscribed and fully paid up		
10,000 (31.12.2012 - 10,000) Equity Shares of ₹ 10 each fully paid up	<u>100,000</u>	<u>100,000</u>

Notes :

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	₹	No. of shares	₹
a) Reconciliation of equity shares outstanding				
At the beginning of the period.....	<u>10,000</u>	<u>100,000</u>	10,000	100,000
At the end of the period.....	<u>10,000</u>	<u>100,000</u>	10,000	100,000

b) Terms / rights attached to equity shares

- i) The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
c) Shares held by holding, ultimate holding company and their subsidiaries		
Out of above equity shares issued by the company, shares held by its holding company, and their subsidiaries are as below :		
Dirk India Pvt Limited - Holding Company		
10,000 (31.12.2012 - 10,000) Equity Shares of ₹ 10 each fully paid-up	<u>100,000</u>	<u>100,000</u>

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
d) Details of shareholders holding more than 5% shares in the Company (Equity shares of ₹ 10 each fully paid-up)				
Dirk India Pvt Ltd - Holding Company	<u>10,000</u>	<u>100.00%</u>	10,000	100.00%

3 Reserve and surplus :

Deficit in the statement of profit and loss

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
Balance as per the last financial statements.....	<u>(33,842,275)</u>	(15,575,098)
Loss for the year.....	<u>(14,286,880)</u>	(18,267,177)
Net Deficit in the statement of profit and loss	<u>(48,129,154)</u>	(33,842,275)
Total	<u>(48,129,154)</u>	(33,842,275)

Notes to the Financial Statements (Contd.)

	Non-current		Current	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	₹	₹	₹	₹
4 Long-term borrowings				
Term loan				
Loan from Bank of Maharashtra #	1,406,250	9,315,082	9,460,395	5,625,000
	1,406,250	9,315,082	9,460,395	5,625,000
Amount disclosed under the head "Other current liabilities" (Refer note 7)	-	-	(9,460,395)	(5,625,000)
Total	1,406,250	9,315,082	-	-
The above amount includes				
Secured borrowings	1,406,250	9,315,082	9,460,395	5,625,000
Net amount	1,406,250	9,315,082	9,460,395	5,625,000

Loan from Bank of Maharashtra

Term loans from the bank with floating interest @ 12.75% p.a.(As on 31st December, 2013)

Terms of repayment :

Term loan no. 60064739664 - repayable in 48 monthly installment of ₹ 4,68,750 each along with interest w.e.f. April 2011 upto March, 2015

Secured by:

Secured against Plant and Machinery, Factory Land & Building at Village Khanpura, Dist. Raisen (MP), Hypothecation of finished goods, debtors and current assets and on corporate guarantee of Dirk India Pvt. Ltd.

	Long-Term		Short-Term	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	₹	₹	₹	₹
5 Provisions				
Provision for employee benefits :				
Provision for gratuity	147,784	118,929	290	208
Total	147,784	118,929	290	208

	As at	As at
	31.12.2013	31.12.2012
	₹	₹

6 Trade payables		
Trade Payables (Refer note 29)	4,751,928	10,007,223
Total	4,751,928	10,007,223

7 Other current liabilities		
Current maturities of Long-term borrowing (refer note 4).....	9,460,395	5,625,000
Interest accrued but not due - Bank of Maharashtra	239,087	169,364
Statutory dues payable.....	367,275	247,234
Advance received from customer	167,844	152,169
Others	188,087	277,801
Payable to Dirk India Pvt Ltd	76,805,802	54,692,342
Interest payable to Dirk India Pvt Ltd	4,242,348	4,022,818
Total	91,470,839	65,186,729

Notes to the Financial Statements (Contd.)

8 Tangible and intangible assets

	Tangible Assets						
	Freehold land	Buildings and roads	Plant and machinery	Electrical installations	Furniture and fixtures	Office & other equipments	Total
Gross carrying value, at cost							
Opening as on 1st Jan, 2012	6,170,210	9,494,347	9,231,006	2,454,814	851,581	104,033	28,305,991
Additions	-	-	68,003	-	-	7,500	75,503
Deductions / Transfers	-	-	-	-	-	-	-
As at 31st Dec, 2012	6,170,210	9,494,347	9,299,009	2,454,814	851,581	111,533	28,381,494
Additions	-	121,000	161,550	-	-	45,740	328,290
Deductions / Transfers	-	-	-	-	-	-	-
At 31st Dec, 2013	6,170,210	9,615,347	9,460,559	2,454,814	851,581	157,273	28,709,784
Depreciation / amortisation							
Opening as on 1st Jan, 2012	-	216,599	711,050	166,769	133,010	12,904	1,240,332
Charge for the year	-	318,842	689,218	183,145	48,541	17,142	1,256,888
Deductions / Transfers	-	-	-	-	-	-	-
As at 31st Dec, 2012	-	535,441	1,400,268	349,914	181,551	30,046	2,497,220
Charge for the year	-	319,880	693,448	182,152	48,281	23,118	1,266,879
Deductions / Transfers	-	-	-	-	-	-	-
At 31st Dec, 2013	-	855,321	2,093,716	532,066	229,832	53,164	3,764,099
Net carrying value							
As at 31st Dec, 2012	6,170,210	8,958,906	7,898,741	2,104,900	670,030	81,487	25,884,274
As at 31st Dec, 2013	6,170,210	8,760,026	7,366,843	1,922,748	621,749	104,109	24,945,685

	Non-current		Current	
	As at 31.12.2013 ₹	As at 31.12.2012 ₹	As at 31.12.2013 ₹	As at 31.12.2012 ₹
9 Loans and advances				
Unsecured, considered good				
Capital advances	76,705	161,516	-	-
Security deposit	318,300	277,000	-	-
Advances recoverable in cash or kind	-	-	49,193	531,839
Other loans and advances				
Service tax receivable	-	-	151,159	-
TDS receivable	-	-	1,680	-
Excise duty balance	-	-	441,006	804,854
Loan / advances to employees	-	-	62,204	121,594
Prepaid expenses	-	-	55,390	60,351
	395,005	438,516	760,632	1,518,638
			As at 31.12.2013 ₹	As at 31.12.2012 ₹
10 Inventories				
(Valued at lower of cost and net realisable value)				
Raw materials			388,588	129,086
Finished goods			121,801	8,321
Stores and spares parts			33,017	106,830
Packing materials			1,808,518	2,011,319
Total			2,351,924	2,255,556

Notes to the Financial Statements (Contd.)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
11 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good.....	64,907	1,684,206
Unsecured, considered doubtful	1,156,778	-
	<u>1,221,685</u>	<u>1,684,206</u>
Provision for Doubtful Debts.....	(1,156,778)	-
	<u>64,907</u>	<u>1,684,206</u>
Other receivables		
Unsecured, considered good.....	2,110,330	2,387,604
Total	<u>2,175,237</u>	<u>4,071,810</u>
12 Cash and bank balances		
Cash and cash equivalents		
Balances with bank :		
In Current accounts.....	350,981	120,495
Cash on hand	20,364	20,364
Total	<u>371,345</u>	<u>140,859</u>
13 Other Operating Revenue		
Miscellaneous & sale of scrap	1,518,250	45,660
Total	<u>1,518,250</u>	<u>45,660</u>
14 Other income		
Interest others.....	16,812	-
Total	<u>16,812</u>	<u>-</u>
15 COST OF RAW MATERIALS CONSUMED		
Opening stock	129,086	152,000
Add : Purchases.....	5,603,481	8,675,950
Less : Closing stock	388,588	129,086
Total	<u>5,343,978</u>	<u>8,698,864</u>
15.1 Break-up of raw materials consumed		
Fly ash	5,237,331	8,615,262
Cement	106,647	83,602
	<u>5,343,978</u>	<u>8,698,864</u>
16 Changes in inventories of finished goods		
Closing stock :		
Finished goods - closing.....	121,801	8,321
Opening stock :		
Finished goods - opening.....	8,321	46,724
Total	<u>(113,480)</u>	<u>38,403</u>
17 Employee benefits expense		
Salaries and wages	2,749,466	3,583,763
Contribution to provident and other fund	115,688	158,776
Staff welfare expenses	367,887	333,985
Total	<u>3,233,041</u>	<u>4,076,524</u>
18 Freight and forwarding expenses		
On finished products	3,541,778	5,612,051
Total	<u>3,541,778</u>	<u>5,612,051</u>
19 Finance costs		
Interest :		
On term loans	1,627,150	3,344,243
On others.....	5,272,977	3,745,590
Total	<u>6,900,127</u>	<u>7,089,833</u>
20 Depreciation and amortization expense		
Depreciation on tangible assets	1,266,879	1,256,888
Total	<u>1,266,879</u>	<u>1,256,888</u>

Notes to the Financial Statements (Contd.)

	As at 31.12.2013 ₹	As at 31.12.2012 ₹
21 Other expenses		
Stores & spares consumed	156,274	142,689
Packing material consumed.....	1,501,264	2,676,253
Repairs and maintenance :		
Building.....	2,100	93,601
Machinery	-	119,781
Other	4,655	82,125
Rent	300,000	260,383
Insurance.....	138,194	91,572
Advertisement & publicity	475,725	831,316
Commission on sales.....	130,250	415,750
Selling & distribution expenses	151,872	270,416
Donation.....	2,600	4,200
Miscellaneous expenses #	2,659,410	3,489,271
Excise duty variation on opening and closing stock	8,096	(2,117)
Legal and professional fees.....	167,412	397,214
Provision for doubtful debts.....	1,156,778	-
Technology and know how fees	101,076	-
Total	<u>6,955,705</u>	<u>8,872,454</u>
# Miscellaneous expenses include payment to statutory auditors (excluding service tax)		
As auditors	76,000	76,000
For other services.....	24,000	24,000
For reimbursement of expenses	-	-
22 Earnings per share (EPS)		
i Profit attributable to equity shareholders for basic and diluted EPS	(14,286,880)	(18,267,177)
	Nos.	Nos.
ii Weighted average number of equity shares for basic & diluted EPS.....	10,000	10,000
	₹	₹
iii Nominal Value of equity shares (₹)	10	10
iv Earnings per equity share:		
Basic	(1,428.69)	(1,826.72)
Diluted.....	(1,428.69)	(1,826.72)

23 RELATED PARTY DISCLOSURE

(a) List of Related Parties and relationships :

Party	Relation
I. Enterprises who control the reporting enterprise :	
Ambuja Cements Ltd	Ultimate Holding company
Dirk India Pvt Ltd	Holding Company
II. Key Management Personnel :	
Mr.Georg Dirk	Director
Mr. Saji Pillai	Director
III. Enterprises over which significant influence is exercised by Directors/ Group Companies :	
Milbank Ltd	Director having significant influence

Note: Only enterprises / parties with whom there are transactions during the current period / previous period are considered above.

Notes to the Financial Statements (Contd.)

(b) Details of material related party transactions

(Amounts in ₹)

Description	Ultimate Holding Company	"Holding Company"	Enterprises over which significant influence exercised by Directors
	Ambuja Cement Limited	Dirk India Pvt Ltd	Millbank Ltd
Sale of Goods	-	3,189,947	-
Purchase of Goods	-	3,767,675 (3,779,685)	-
Technology & Know-How Fees	101,076	-	-
Interest Paid / Provided	-	6,974,456 (4,958,805)	-
Loan taken during the period	-	22,113,460 (28,134,562)	-
Loan taken outstanding at the end of the year.....	-	76,805,802 (54,692,342)	-
Amount Payable	(12,906)	4,242,348 (4,022,818)	51,000 (51,000)

Notes :

- 1) Related party relationship is as identified by the company on the basis of available information.
- 2) Figures in bracket are for the previous period.

24 Segment reporting

a) Primary segment -

The company has only one business segment 'Cementitious Materials' as primary segment

	2013 ₹	2012 ₹
b) The secondary segment is geographical , which is given as under :		
i) Sale of product (Net off excise duty)		
Within india.....	12,107,577	18,397,762
Outside india	-	64,000
Total	12,107,577	18,461,762
ii) Other operating revenue		
Within india.....	1,518,250	45,660
Outside india.....	-	-
Total	1,518,250	45,660
iii) Other income		
Within india.....	16,812	-
Outside india.....	-	-
Total	16,812	-
	As at 31.12.2013	As at 31.12.2012
	₹	₹
c) All the Assets / Liabilities of the company , except the following are within India.		
Debtors / Advances to suppliers	-	-
Creditors / Payables / Advances from customers	-	-

Notes to the Financial Statements (Contd.)

	2013 ₹	2012 ₹
25 Employee defined benefits		
a) Defined Contribution Plans -		
The Company has recognised expenses towards the defined contribution plans as under :		
Contribution to Provident Fund.....	85,497	79,260
Others	30,191	79,516

b) Defined Benefit Plans - As per Actuarial Valuation

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

Particulars	(Amount in ₹)	
	2013 Gratuity Non Funded	2012 Gratuity Non Funded
I) Expense recognised in the Statement of Profit & Loss Account		
1. Current Service Cost.....	89,975	23,683
2. Interest Cost	10,127	2,233
3. Employee Contributions	-	-
4. Expected Return on Plan Assets	-	-
5. Actuarial (Gains) / Losses	(71,165)	68,415
6. Past Service Cost.....	-	-
7. Settlement Cost.....	-	-
8. Losses / (gains) on acquisition / divesture	-	-
9. Total Expense	28,937	94,331
II) Net Asset / (Liability) recognised in the Balance Sheet		
1. Present Value of Defined Benefit Obligation.....	148,074	119,137
2. Fair Value of Plan Assets	-	-
3. Funded Status [Surplus / (Deficit)]	-	-
4. Net Asset/ (Liability)	(148,074)	(119,137)
III) Change in Obligation during the Year		
1. Present value of Defined Benefit Obligation at the beginning of the year (provision made out of reserves).....	119,137	24,806
2. Current Service Cost.....	89,975	23,683
3. Interest Cost	10,127	2,233
4. Settlement Cost.....	-	-
5. Past Service Cost.....	-	-
6. Employee Contributions	-	-
7. Liabilities assumed on acquisition/(settled on divesture).....	-	-
8. Actuarial (Gains) / Losses	(71,165)	68,415
9. Benefits Payments	-	-
10. Present Value of Defined Benefit Obligation at the end of the year.....	148,074	119,137
	2013	2012
IV) Actuarial Assumptions:		
1. Discount Rate.....	9.00%	8.50%
2. Expected rate of return on plan assets.....	NA	NA
3. Mortality	IALM (2006-08) Ultimate	LIC (1994-96) Mortality Tables
4. Turnover rate	2.00%	2.00%
5. Medical premium inflation	NA	NA
6. Salary Escalation	8% p.a.	8% p.a.

Notes to the Financial Statements (Contd.)

	2013 ₹	2012 ₹		
V) Amounts recognized as an expense in respect of defined benefit plans as under :				
Gratuity	28,937	94,331		
VI) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
	As at 31.12.2013 ₹	As at 31.12.2012 ₹	As at 31.12.2011 ₹	
c) Amount for the current period and previous 2 periods are as follows :				
Gratuity - Non Funded				
Defined benefit obligation	148,074	119,137	24,806	
Plan assets	-	-	-	
Surplus / (deficit)	-	-	-	
Experience adjustments on plan assets	-	-	-	
Experience adjustments on plan liabilities	(61,518)	26,245	(5,779)	
	2013 ₹	2013 Percentage	2012 ₹	2012 Percentage
26 Raw material / stores & spares consumption				
a) Raw materials consumed				
(i) Imported	-	-	-	-
(ii) Indigenous	5,343,978	100.00	8,698,864	100.00
Total	5,343,978	100.00	8,698,864	100.00
b) Spares consumed				
(i) Imported	-	-	-	-
(ii) Indigenous	156,274	100.00	142,689	100.00
Total	156,274	100.00	142,689	100.00
	2013 ₹	2012 ₹		
27 Expenditure in foreign currency (accrual basis) :				
(i) Expenditure		-		
(ii) Capital / Capital WIP		664,846		
28 Capital work-in-progress :				
Capital work-in-progress includes expenditure during construction for project.....	2,991,586	1,290,107		
Dirk Pozzocrete (MP) Pvt Ltd				
29 Earnings in foreign exchange (accrual basis) :				
FOB value of exports		64,000		
30 The company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the year- end as required under the said Act have not been furnished.				
31 Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current years presentation.				

Signatures to notes 1 to 31

As per our report of even date

For and on behalf of the Board

Anand Daga

Chartered Accountants

Proprietor

Membership No. 048684

Georg Dirk

Chairman

Saji Pillai

Director

Place : Nashik

Date : 17th January, 2014

Ambuja Cement

Head office: Elegant Business Park, Behind Kotak Mahindra Bank, MIDC Cross Road 'B', Off Andheri - Kurla Road, Andheri (E), Mumbai 400 059. Tel.: 022 6616 7000/4066 7000. www.ambujacement.com