

INDEPENDENT AUDITOR'S 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 31 March 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.

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.

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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 31 March 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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

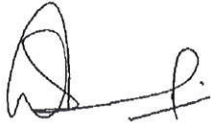
2. As required by section 227(3) of the Act, I report that :

- 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 subject to notes thereon comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

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- e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Anand S. Daga
Chartered Accountant
Proprietor
Membership No. 048684



Place : Nashik
Date : 05th September, 2013



ANNEXURE

Annexure referred to in paragraph 1 of my report of even date

Re: Dirk India Private Limited ('the Company')

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The company has a programme for physical verification on a rotational basis, which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification.

(c) Fixed Assets disposed-off during the year were not substantial hence going concern status is not affected.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

(iv) In my opinion and according to the information and explanations given to me, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of my audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal control system of the company. The company does not render any services.

(v) (a) According to the information and explanations provided by the management, I am of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.



(b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the period at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The company has not accepted any deposits from the public.

(vii) In my opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.

(viii) I have broadly reviewed the Cost Records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 as prescribed by the Central Government under section 209(1)(d) of the Companies Act 1956 and am of the opinion that prima-facie the prescribed accounts & records have been maintained. I have not however made a detailed examination of the said records in respect of their accuracy and completeness.

(ix)(a) The company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax/Vat, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it , barring few months.

(b) According to the information and explanations given to me, no undisputed amounts payable in respect of Provident Fund , Income-Tax, Service Tax , Sales-Tax / Vat , Customs Duty, Excise Duty, Cess and other material statutory dues were outstanding , at March 31 , 2013, for a period of more than six months from the date they became payable.

(c) I am informed that Investor Education and Protection Fund , Employees State Insurance and Wealth-Tax are not applicable to the company.

(d) According to the records of the company, there are no any dues outstanding of Income-Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty and Cess on account of any dispute, except the following :

Name of Statute	Nature of Dues / Issue	Amount (Rs. In Lakhs) #	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty on Advance DTA Sale.	84.42	2009-10	CESTAT
		2.00	2009-10	
	Excise Duty on Advance DTA Sale.	88.02	2010-11	CESTAT



(x) The company's accumulated loss at the end of the financial year is less than fifty per cent of its net worth. The company has not incurred cash loss in the immediately preceding financial year but has incurred cash loss in the current financial year.

(xi) Based on my audit procedures and as per the information and explanations given by the management, except some delays in payment of installments – the company has not defaulted in repayment of dues to bank. Besides the bank loan – the company has not taken any loans from financial institutions nor has it issued any debentures.

(xii) According to the information and explanations given to me and based on the documents and records produced to me, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In my opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.

(xv) According to the information and explanations given to me, the company has not given any guarantee for loan taken by others from banks or financial institutions except for loan taken by Dirk Pozzocrete (MP) Private Limited from Bank of Maharashtra. The terms and conditions of the said guarantee were prima-facie not prejudicial to the interest of the company.

(xvi) Term Loan taken by the company during the year was utilized for the purpose for which it was obtained.

(xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that funds raised on short-term basis to the extent of Rs. 577.76 Lakhs have been used for long-term investments and funding the loss incurred by the company.

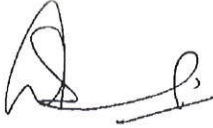
(xviii) The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The company has not issued any debentures during this period.

(xx) The company has not raised any money through a public issue during this period. Accordingly, the provisions of clause (xx) of the Order are not applicable to the company.



(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, I report that no fraud on or by the company has been noticed or reported during the course of my audit.



Anand S. Daga
Chartered Accountant
Proprietor
Membership No. 048684

Place : Nashik
Date : 05th September, 2013



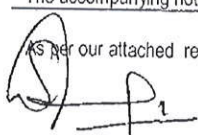
Dirk India Private Limited
Balance Sheet as at 31st March, 2013

	Note	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	20,753,830	20,753,830
Reserves and surplus	3	13,871,088	41,743,842
		<u>34,624,918</u>	<u>62,497,672</u>
Non-current liabilities			
Long-term borrowings	4	67,708,337	85,000,845
Deferred tax liabilities (net)	11	-	9,492,000
Long-term provisions	5	10,192,663	6,510,035
		<u>77,901,000</u>	<u>101,002,880</u>
Current liabilities			
Short-term borrowings	6	89,380,171	58,326,069
Trade payables	7	122,781,572	93,768,332
Other current liabilities	8	84,076,577	67,802,266
Short-term provisions	5	536,035	4,214,340
		<u>296,774,355</u>	<u>224,111,008</u>
TOTAL		<u>409,300,273</u>	<u>387,611,560</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	212,246,421	173,956,738
Intangible assets	9	3,724,043	2,223,468
Capital work in progress		-	28,471,427
		<u>215,970,464</u>	<u>204,651,633</u>
Non-current investments			
Deferred tax assets (net)	10	100,000	100,000
Long-term loans & advances	11	2,028,000	-
Other non-current assets	12	14,547,128	22,898,875
	13	<u>1,806,306</u>	<u>-</u>
		<u>18,481,434</u>	<u>22,998,875</u>
Current assets			
Inventories	14	13,962,739	14,352,023
Trade receivables	15.1	68,626,814	60,478,461
Cash and bank balances	16	9,433,797	33,670,407
Short-term loans and advances	12	82,673,147	50,929,177
Other current assets	15.2	151,878	530,984
		<u>174,848,375</u>	<u>159,961,052</u>
TOTAL		<u>409,300,273</u>	<u>387,611,560</u>

Significant accounting policies : Note 1

The accompanying notes are an integral part of these financial statements

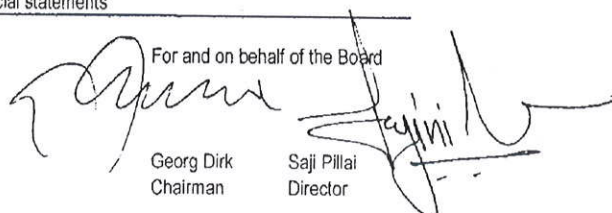
As per our attached report of even date



Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 05th September, 2013



For and on behalf of the Board



Georg Dirk
Chairman

Saji Pillai
Director



Dirk India Private Limited
Statement of Profit and Loss for the year ended 31st March, 2013

	Note	2012-2013 Rs.	2011-2012 Rs.
Revenue			
Revenue from operation (net)	17	539,208,929	526,393,149
Other income	18	6,490,089	6,786,235
Total revenue		<u>545,699,018</u>	<u>533,179,384</u>
Expenses			
Purchase of traded goods		5,481,442	4,251,267
Cost of raw materials consumed	19	70,427,765	66,004,647
Changes in inventories of finished goods	20	2,233,421	(846,945)
Employee benefits expense	21	61,059,498	58,554,969
Power & fuel		36,936,505	34,165,289
Freight and forwarding	22	221,171,138	204,317,928
Finance costs	23	25,021,030	19,369,181
Depreciation and amortization expense	24	25,170,282	24,442,242
Other expenses	25	137,590,690	130,346,298
Total expenses		<u>585,091,772</u>	<u>540,604,877</u>
Profit / (Loss) before exceptional items and tax		<u>(39,392,754)</u>	<u>(7,425,493)</u>
Exceptional items	26	-	(24,838,979)
Profit / (Loss) before tax		<u>(39,392,754)</u>	<u>17,413,486</u>
Tax expense :			
For the current year :			
Current tax		-	4,250,000
Less : MAT credit		-	(3,700,000)
Deferred tax (credit) / charge		<u>(11,520,000)</u>	<u>(937,000)</u>
		<u>(11,520,000)</u>	<u>(387,000)</u>
Relating to earlier years :			
Current tax		-	(1,863,487)
Deferred tax (credit) / charge		-	10,429,000
		-	8,565,513
		-	8,178,513
Profit / (Loss) for the year		<u>(27,872,754)</u>	<u>9,234,973</u>
Earnings per equity share of Rs 10 each			
Basic		(13.43)	4.45
Diluted		(13.43)	4.45

Significant accounting policies : Note 1

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 05th September, 2013



For and on behalf of the Board

Georg Dirk
Chairman

Saji Pillai
Director



Dirk India Private Limited
Cash Flow Statement for the year ended 31st March, 2013

	Rs.	2012-2013 Rs.	2011-2012 Rs.
Cash flow from operating activities			
Net Profit before tax and exceptional items		(39,392,754)	(7,425,493)
Adjustments for :			
Depreciation and amortisation	25,170,282		24,442,242
Profit / (Loss) on sale of assets (net)	76,579		(102,282)
Finance costs	25,021,030		22,610,505
Interest income	(5,975,753)		(3,484,215)
Operating profit before working capital changes		44,292,138	43,466,250
		4,899,384	36,040,757
Adjustment for :			
Trade receivables, loans & advances and other assets	(39,247,174)		(45,299,416)
Inventories	389,284		5,995,513
Trade Payables, other liabilities and provisions	42,296,426		(11,491,151)
		3,438,536	(50,795,054)
Cash generated from / (used in) operations		8,337,920	(14,754,297)
Net income tax (Paid) / refunds		(4,091,402)	(4,160,470)
Net cash flow from / (used in) operating activities (A)		4,246,518	(18,914,767)
Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances	32,121,043		(39,446,886)
Proceeds from sale of fixed assets	463,184		169,000
Fixed Deposits with banks having maturity between 3-12 Months	1,174,972		(86,466)
Fixed Deposits with banks having maturity more 12 Months	(1,806,306)		2,143,720
Interest received	6,354,859		3,437,158
Non current investments	-		(100,000)
Net cash flow from / (used in) investing activities (B)		38,307,752	(33,883,474)
Cash flow from financing activities			
Repayment of long term borrowings	(34,009,876)		(28,972,050)
Proceeds of long term borrowings	30,139,230		75,000,000
Net increase in working capital borrowings	26,554,102		27,988,508
Finance costs	(25,021,030)		(22,610,505)
Dividend Paid	-		(8,558,438)
Dividend Distribution Tax Paid	-		(3,318,835)
Net cash flow from / (used in) financing activities (C)		(2,337,575)	39,528,683
Net increase / (decrease) in cash & cash equivalent (A+B+C)		40,216,695	(13,269,558)
Cash and cash equivalent at the beginning of the year		32,495,435	45,764,993
Cash and cash equivalent at the end of the year		72,712,130	32,495,435
		40,216,695	(13,269,558)
Components of cash and cash equivalents			
Cash on hand		52,977	37,715
With banks - on current account		9,380,820	2,000,890
With banks - demand deposit with maturity less than 3 months		-	30,456,830
		9,433,797	32,495,435
Add : With banks - demand deposit with maturity 3-12 months		-	1,174,972
Cash and bank balance as per note No. 16		9,433,797	33,670,407

Notes :

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

Significant accounting policies : Note 1

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 05th September, 2013



For and on behalf of the Board

Georg Dirk
Chairman

Saji Pillai
Director



1. SIGNIFICANT ACCOUNTING POLICIES

(A) CORPORATE INFORMATION :

Dirk India Private Limited is engaged in the manufacturing and trading of 'Cement & 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 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 result could differ from these estimates.

(C) 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, except land which is carried at cost.
- (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) Depreciation on all assets, other than Vehicles is provided on the "Straight Line Method" and on Vehicles on reducing balance basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, as the management estimate of useful life coincides with useful life based on the rate mentioned in the Schedule XIV or is higher.
- (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) 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.

(d) Inventories :

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

(e) 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.

(f) 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.



(g) Revenue Recognition :

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

(h) 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 is 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.

(i) Borrowing Costs :

- (i) Borrowing cost attributable to acquisition and construction of assets that necessarily take substantial period of time are capitalised as part of the cost of such assets upto 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.

(j) 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.

(k) 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.

(l) Segment Reporting Policies :

(i) Identification of segments :

The Company considers 'Cement' and 'Cementitious Materials' as one business segment. The analysis of geographical segments is

(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.

(m) 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.



	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
2 Share capital		
Authorised		
30,00,000 (31.03.2012 - 30,00,000) Equity Shares of Rs. 10 each	30,00,000	30,00,000
Issued		
20,75,383 (31.03.2012 - 20,75,383) Equity Shares of Rs. 10 each fully paid up	20,753,830	20,753,830
Subscribed and fully paid up		
20,75,383 (31.03.2012 - 20,75,383) Equity Shares of Rs. 10 each fully paid up	20,753,830	20,753,830

Notes :

	As at 31.03.2013		As at 31.03.2012	
	No. of shares	Rs.	No. of shares	Rs.
a) Reconciliation of equity shares outstanding				
At the beginning of the year	2,075,383	20,753,830	2,075,383	20,753,830
At the end of the year	2,075,383	20,753,830	2,075,383	20,753,830

b) Terms / right attached to equity shares

- The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
- 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 31.03.2013 Rs.	As at 31.03.2012 Rs.
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		
16,60,306 (31.03.2012 - 12,45,230) Equity Shares of Rs. 10 each fully paid-up	16,603,060	12,452,300

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

	As at 31.03.2013		As at 31.03.2012	
	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%	1,245,230	60.00%
ii) Milbank Ltd	415,077	20.00%	415,077	20.00%
iii) Reinhard Sniezyk (Director)	-	-	415,076	20.00%



	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
3 Reserves and surplus		
General reserve :		
Balance as per the last financial statements	36,083,142	25,000,000
Add : Set aside during the year	-	16,892,580
Less : Prior period adjustment for employee benefits	-	(5,809,438)
Closing balance	36,083,142	36,083,142
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statements	5,660,700	18,612,603
Profit / (Loss) for the year	(27,872,754)	9,234,973
Less : Appropriation	-	-
Interim dividend	-	(4,540,174)
Tax on above interim dividend	-	(754,122)
Transfer to general reserve	-	(16,892,580)
	-	(22,186,876)
Net Surplus / (Deficit) in the statement of profit and loss	(22,212,054)	5,660,700
Total	13,871,088	41,743,842

	Non-current portion		Current maturities	
	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
4 Long-term borrowings				
Term loans				
Loan from Bank of Maharashtra #	-	16,250,845	20,247,965	38,006,996
Loan from Ambuja Cements Limited ##	67,708,337	68,750,000	37,430,893	6,250,000
	67,708,337	85,000,845	57,678,858	44,256,996
Amount disclosed under the head "Other current liabilities" (Refer Note 8)	-	-	(57,678,858)	(44,256,996)
Total	67,708,337	85,000,845	-	-
The above amount includes				
Secured borrowings	-	16,250,845	20,247,965	38,006,996
Unsecured borrowings	67,708,337	68,750,000	37,430,893	6,250,000
Net amount	67,708,337	85,000,845	57,678,858	44,256,996

Loan from Bank of Maharashtra

Term loans from the bank with floating interest @ 13% p.a. (As on 31st March, 2013)

Terms of repayment :

- (a) Term loan No. 20034044100 - repayable in 60 monthly installment of Rs. 15,00,000 each along with interest w.e.f. Oct, 2008 upto Sept, 2013
(b) Term loan No. 60050955114 - repayable in 36 monthly installment of Rs. 5,56,000 each along with interest w.e.f. April 2011 upto Mar'2014

Secured by :

Secured against all fixed assets.

Terms of repayment of loan from Ambuja cements Limited

- (a) Loan of Rs. 5,00,00,000 - repayable in 36 monthly installment of Rs. 13,88,889 w.e.f. January, 2013
(b) Loan of Rs. 2,50,00,000 - repayable in 36 monthly installment of Rs. 6,94,444 w.e.f. January, 2013
(c) Loan of Rs. 2,50,00,000 - repayable in 24 monthly installment of Rs. 10,41,667 w.e.f. January, 2014

Term loans from Ambuja Cements Limited with fixed interest @ 12% p.a. (As on 31st March, 2013). Interest is payable every year on 31st March.



	Long-Term		Short-Term	
	As at	As at	As at	As at
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	Rs.	Rs.	Rs.	Rs.
5 Provisions				
Provision for employee benefits :				
Provision for gratuity	10,192,663	6,510,035	536,035	288,297
	<u>10,192,663</u>	<u>6,510,035</u>	<u>536,035</u>	<u>288,297</u>
Other provisions				
Provision for income tax, net off advances (including interest thereon)	-	-	-	3,926,043
	-	-	-	<u>3,926,043</u>
Total	<u>10,192,663</u>	<u>6,510,035</u>	<u>536,035</u>	<u>4,214,340</u>
6 Short-term borrowings			As at	As at
			31.03.2013	31.03.2012
			Rs.	Rs.
From Bank of Maharashtra (Secured)				
Cash credit #			74,338,669	25,432,019
Negotiations of export documents #			15,041,502	6,465,502
Loan against fixed deposit receipt's			-	26,428,548
Total			<u>89,380,171</u>	<u>58,326,069</u>
The above amount includes				
Secured borrowings			<u>89,380,171</u>	<u>58,326,069</u>
# Secured by :				
Hypothecation of inventory & receivables.				
Rate of interest :				
Cash credit			12.00% p.a.	14.60% p.a.
Negotiations of documents			10.25% p.a.	11.75% p.a.
Loan against fixed deposit receipt's			-	9.00% p.a.
7 Trade payables				
Trade Payables (Refer note 38)			122,781,572	93,768,332
Total			<u>122,781,572</u>	<u>93,768,332</u>
8 Other current liabilities				
Current maturities of Long-term borrowing (refer note 4)			57,678,858	44,256,996
Excise duty			19,397	1,093,803
Service tax			4,083,815	256,660
TDS payable			5,329,653	4,510,118
Sales tax payable			5,716,187	118,711
Sundry creditors - capital goods			626,486	2,626,857
Advance from customer			1,028,665	5,241,586
Dealership deposits			2,947,716	2,897,716
Overdrawn balance HDFC Bank Ltd.			-	4,500,000
Others liabilities			6,645,800	2,299,819
Total			<u>84,076,577</u>	<u>67,802,266</u>



Dirk India Private Limited
Notes to Financial Statements (Contd.)
9 Tangible and intangible assets

	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 April, 2011	1,996,890	57,916,230	209,226,578	9,144,983	9,904,656	4,492,799	860,441	293,542,577	3,069,503	3,069,503
Additions	-	3,581,394	783,849	66,512	33,500	389,610	98,264	4,953,129	142,000	142,000
Deductions / Transfers	-	2,550	-	-	1,690,454	499,413	860,441	3,052,858	-	-
As at 31st March, 2012	1,996,890	61,495,074	210,010,427	9,211,495	8,247,702	4,382,996	98,264	295,442,848	3,211,503	3,211,503
Additions	-	2,623,902	58,158,693	1,623,219	414,456	458,063	-	63,278,333	2,221,970	2,221,970
Deductions / Transfers	-	-	798,316	-	-	115,188	-	913,504	-	-
At 31st March, 2013	1,996,890	64,118,976	267,370,804	10,834,714	8,662,158	4,725,871	98,264	357,807,677	5,433,473	5,433,473
Depreciation / amortisation										
Opening as on 1st April, 2011	-	17,813,368	95,154,037	3,419,413	2,860,130	3,519,997	805,680	123,572,625	2,284,396	2,284,396
Charge for the year	-	1,643,995	20,246,804	924,064	522,324	587,411	2,858	23,927,256	514,986	514,986
Deductions / Transfers	-	18,093,148	4,390,878	(1,379,417)	2,430,004	1,673,478	805,680	26,013,771	1,811,347	1,811,347
As at 31st March, 2012	-	1,364,215	111,009,763	5,722,894	952,450	2,433,930	2,858	121,486,110	988,035	988,035
Charge for the year	-	1,768,373	20,763,225	904,678	537,694	449,478	25,439	24,448,887	721,395	721,395
Deductions / Transfers	-	-	345,153	-	-	28,588	-	373,741	-	-
At 31st March, 2013	-	3,132,588	131,427,835	6,627,572	1,490,144	2,854,820	28,297	145,561,256	1,709,430	1,709,430
Net carrying value										
As at 31st March, 2012	1,996,890	60,130,859	99,000,664	3,488,601	7,295,252	1,949,066	95,406	173,956,738	2,223,468	2,223,468
At 31st March, 2013	1,996,890	60,986,388	135,942,969	4,207,142	7,172,014	1,871,051	69,967	212,248,421	3,724,043	3,724,043

Note : Land at Sinnar (Included in Freehold Land) Rs. 8,96,890 and Flat at Aadhunik Co-op Hsg Society Ltd (Included in Buildings and Roads) Rs. 45,00,000 - are yet to be transferred in the name of the company.



TotalTotalTotalTotalTotal

Deposits are offered as security for loan / kept as margin money against bank guarantees



Dirk India Private Limited
Notes to Financial Statements (Contd.)

	2012-2013 Rs.	2011-2012 Rs.
17 Revenue from operations		
Sales of products :		
Finished goods - manufactured	518,602,581	537,209,850
Finished goods - trading	37,076,931	4,030,455
Revenue from operations (gross)	555,679,512	541,240,305
Less : Excise duty	16,470,583	14,847,156
Revenue from operations (net)	539,208,929	526,393,149
18 Other income		
Profit on sale of fixed assets	-	110,239
Scrap sales & others	514,336	3,191,781
Interest on bank deposits	503,355	1,136,336
Interest - Dirk Pozzocrete (MP) Private Limited	5,472,398	2,347,879
Total	6,490,089	6,786,235
19 Cost of raw materials consumed		
Opening stock	84,750	254,037
Add : Purchases	70,503,442	65,835,360
Less : Closing stock	160,427	84,750
Total	70,427,765	66,004,647
Break-up of raw materials consumed		
Fly ash	67,149,929	66,004,647
Cement	3,277,836	-
	70,427,765	66,004,647
20 Changes in Inventories of finished goods		
Closing stock :		
Finished goods	555,603	2,789,024
Opening stock :		
Finished goods	2,789,024	1,942,079
Total	2,233,421	(846,945)
21 Employee benefits expense		
Salaries and wages, allowances, bonus etc	51,807,362	49,205,746
Contribution to provident and other fund	997,624	955,614
Payment & provision for gratuity	3,930,365	3,092,744
Staff welfare expenses	4,324,147	5,300,865
Total	61,059,498	58,554,969
22 Freight and forwarding expenses		
On finished products	221,171,138	204,317,928
Total	221,171,138	204,317,928



	2012-2013 Rs.	2011-2012 Rs.
23 Finance costs		
Interest :		
On term loans	5,009,882	10,513,823
On working capital loans	10,981,109	4,718,777
On others	7,750,573	3,926,581
	<u>23,741,564</u>	<u>19,159,181</u>
Other borrowing cost	1,279,466	210,000
Total	<u>25,021,030</u>	<u>19,369,181</u>
24 Depreciation and amortization expense		
Depreciation on tangible assets	24,448,887	23,927,257
Depreciation on intangible assets	721,395	514,986
Total	<u>25,170,282</u>	<u>24,442,242</u>
25 Other expenses		
Stores & spares consumed	7,823,404	9,124,852
Packing material consumed	29,453,828	31,482,483
Repairs to machinery	3,250,520	2,707,684
Repairs to building	2,429,000	1,042,007
Repairs - other	40,850	155,873
Rent	3,651,017	2,078,779
Insurance	746,961	614,903
Advertisement & publicity	6,321,008	3,860,373
Commission on sales	3,223,240	1,781,515
Selling & distribution expenses	7,827,005	5,002,386
Travelling & conveyance	5,784,833	4,882,939
Bad debts	-	772,411
Loss on sale of assets	76,579	7,957
Donation	91,501	203,001
Miscellaneous expenses	22,817,623	15,336,571
Professional / consultancy expenses	12,511,674	11,914,872
Payment to auditors	1,000,000	1,000,000
Directors remuneration	19,925,304	15,045,582
Excise duty expenses	1,029,805	13,620,298
Machinery / Equipment hire expenses	6,271,527	6,470,488
Technology and know how fees	1,060,259	-
Bank charges & commission	1,484,560	1,512,642
Exchange rate variation	770,192	1,728,682
Total	<u>137,590,690</u>	<u>130,346,298</u>
26 Exceptional items		
Depreciation related to earlier years	-	(24,838,979)
Total	<u>-</u>	<u>(24,838,979)</u>



27 Related party disclosure

(a) List of Related Parties and Relationships :

Name of party	Nature of Relationship
I. Enterprises who control the reporting enterprise / Major Shareholders :	
Holcim Ltd., Switzerland	Ultimate Holding Company
Ambuja Cements Ltd	Holding Company
Milbank Ltd	Major shareholder having significant influence.
Mr. Reinhard Sniezyk	Major shareholder having significant influence (Upto 23rd November 2012)
II. Name of Enterprise where control exists :	
Dirk Pozzocrete (MP) Pvt Ltd	Subsidiary Company
III. Key Management Personnel :	
Mr. Georg Dirk	Chairman
Mr. Reinhard Sniezyk	Director (Upto 23rd November 2012)
IV. Relatives of Key Management Personnel :	
Mr. Georg Dirk	Son of Mr. Georg Dirk
Mrs. Ivana Dirk	Wife of Mr. Georg Dirk
V. Enterprises over which significant influence is exercised by Directors/Group Companies :	
Dirk Pozzocrete (I) Pvt Ltd.	Chairman having significant influence.
ACC Ltd	Group Company
Holcim Singapore PTE Ltd	Group Company
Holcim Lanka Ltd	Group Company



Note 27 - Related party disclosure (Contd.)
(b) Details of related party transactions

Description	Holding Company	Shareholders having Significant Influence/Group Companies				Subsidiary		Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which significant influence exercised by Directors & Major Shareholders
		Ullbank Ltd	ACC Ltd	Holcim Singapore PTE Ltd	Holcim Lanka Ltd	Dirk Pozzorella (MP) Pvt Ltd	George Dirk	Ruthard Szezyk	Ivana Dirk	Georg S. Dirk ProDirk Media	Dirk Pozzorella (P) Pvt Ltd	
Sale of Goods	65,755	-	15,673,138 (353,003)	9,023,982 (2,413,360)	1,738,591	2,988,631 (2,776,191)	-	-	-	-	-	-
Purchase of Goods	4,114,376	-	-	-	-	-	-	-	-	-	-	-
Technology & Know-How Fees	1,650,259	-	-	-	-	-	-	-	-	-	-	-
Salary/ Remuneration (Refer Note no. 3)	-	-	-	-	-	-	13,849,585 (8,969,645)	6,201,814 (5,931,913)	7,154,474 (6,019,570)	-	-	-
Interest Received	-	-	-	-	-	5,472,388 (2,347,875)	-	-	-	-	-	-
Interest Paid / Provided	10,338,884 (3,364,384)	-	-	-	-	-	-	-	-	-	-	-
Other Payments / Recoveries / Advances	2,370,846	(51,000)	-	376,584	-	(145,203)	-	-	-	2,657,540 (1,132,360)	720,000 (720,000)	-
Loan taken during the period	25,000,000 (75,000,000)	-	-	-	-	-	-	-	-	-	-	-
Loan repaid during the period	4,166,655	-	-	-	-	-	-	-	-	-	-	-
Loan taken outstanding at the end of the year	95,833,334 (75,000,000)	-	-	-	-	-	-	-	-	-	-	-
Loan given during the period	-	-	-	-	-	17,546,307 (38,050,463)	-	-	-	-	-	-
Loan given outstanding at the end of the year	-	-	-	-	-	62,079,168 (38,050,463)	-	-	-	-	-	-
Amount Receivable	2,865	-	1,943,014 (333,003)	-	-	-	-	6,814 (51,045)	-	-	-	386,589
Amount Payable	13,280,166	51,000 (51,000)	-	-	-	-	1,263,817 (2,756,072)	462,454 (1,202,094)	469,785 (423,319)	-	24,400 (156,000)	-

Notes:

- 1) Related party relationship is as identified by the company on the basis of available information.
- 2) Figures for the previous year are shown in bracket wherever applicable.
- 3) Company's application for approval of salary of all Directors and Mrs Ivana Dirk is pending with Ministry of Corporate Affairs, New Delhi.



28 Dispute with Mahagenco

The company had entered into agreement with Maharashtra State Power Generation Company Limited - Mahagenco (Earlier a part of Maharashtra State Electricity Board) for supply of flyash, one of the key raw material for the company from its plant located at Nashik. Dispute regarding the said agreement is going on between the company & Mahagenco. Meanwhile Mahagenco has discontinued the supply of flyash from 18th March, 2013. Various cases related to this matter (Claims & Counter Claims of both the parties) are now before Honourable Supreme Court and Honourable High Court, of Mumbai.

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
29 Contingent liabilities and commitments (to the extent not provided for)		
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	14,966,316	19,524,832
c. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	583,391	20,336,351

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 :

Sales (Net of Excise Duty)

Within India

Outside India

Total

2012-2013 Rs.	2011-2012 Rs.
349,919,278	357,901,559
189,289,651	168,491,590
539,208,929	526,393,149

c) All the Assets / Liabilities of the company , except the following are within India.

Debtors / Advances to suppliers

Creditors / Payables / Advances from customers

As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
10,946,993	18,544,030
4,689,367	8,937,859

31 Foreign currency exposure

1. Outstanding trade payables for expenses

a) in USD

b) in Euro

c) in GBP

2. Outstanding trade receivables

a) in USD

b) in Euro

3. Advance to vendors

a) in USD

b) in GBP

c) in Euro

4. Advance from customers

a) in USD

32,137	2,715
24,821	53,000
11,657	5,144
201,306	248,637
-	-
-	90,462
-	3,436
-	13,770
4,691	91,029

32 Employee defined benefits

a) Defined Contribution Plans -

The Company has recognised expenses towards the defined contribution plans as under :

Contribution to Provident Fund / Welfare Fund (Government)

997,624	955,614
---------	---------

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.



Employee defined benefits

Particulars	(Amount in Rs.)	
	2012-2013 Gratuity Non Funded	2011-2012 Gratuity Non Funded
I) Expense recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	918,346	697,198
2. Interest Cost	577,858	425,098
3. Employee Contributions	-	-
4. Expected Return on Plan Assets	-	-
5. Actuarial (Gains) / Losses	-	-
6. Past Service Cost	2,434,162	1,970,448
7. Settlement Cost	-	-
8. Losses / (gains) on acquisition / divestiture	-	-
9. Total Expense	3,930,366	3,092,744
II) Net Asset / (Liability) recognised in the Balance Sheet		
1. Present Value of Defined Benefit Obligation	10,728,698	6,798,332
2. Fair Value of Plan Assets	-	-
3. Funded Status [Surplus / (Deficit)]	-	-
4. Net Asset/ (Liability)	(10,728,698)	(6,798,332)
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)	6,798,332	4,056,991
2. Current Service Cost	918,346	697,198
3. Interest Cost	577,858	425,098
4. Settlement Cost	-	(351,403)
5. Past Service Cost	-	-
6. Employee Contributions	-	-
7. Liabilities assumed on acquisition/(settled on divestiture)	-	-
8. Actuarial (Gains) / Losses	-	-
9. Benefits Payments	2,434,162	1,970,448
10. Present Value of Defined Benefit Obligation at the	10,728,698	6,798,332
IV) Change in Assets during the Year		
1. Plan Assets at the beginning of the year	-	-
2. Assets acquired on amalgamation in previous year	-	-
3. Settlements	-	-
4. Expected return on plan assets	-	-
5. Contributions by employer	-	-
6. Actual Benefit Paid	-	-
7. Actuarial Gains / (Losses)	-	-
8. Plan Assets at the end of the year	-	-
9. Actual Return on plan assets	-	-
V) The major categories of plan assets as a percentage of total plan	As at 31.03.2013	As at 31.03.2012
Qualifying Insurance policy	-	-
VI) Actuarial Assumptions:	2012-2013	2011-2012
1. Discount Rate	8.25%	8.50%
2. Expected rate of return on plan assets	NA	NA
3. Mortality	IALM (2006-08)	LIC (1994-96)
	Ultimate	Mortality Tables
4. Turnover rate	2.00%	2.00%
5. Medical premium inflation	NA	NA
6. Salary Escalation	8.00%	6.00%



Employee defined benefits (Contd.)

VII) Amounts recognized as an expense in respect of defined benefit plans as under :

Gratuity

2012-2013 Rs.	2011-2012 Rs.
3,930,366	3,092,744

c) 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.

d) Amount for the current period and previous period are as follows :

Gratuity - Non Funded

Defined benefit obligation

Plan assets

Surplus / (deficit)

Experience adjustments on plan assets

Experience adjustments on plan liabilities

10,728,698	6,798,332
-	-
-	-
(92,974)	351,403

33 Raw material / stores & spares consumption

a) Raw materials consumed

(i) Imported

(ii) Indigenous

Total

b) Spares consumed

(i) Imported

(ii) Indigenous

Total

2012-2013 Rs.	2012-2013 Percentage	2011-2012 Rs.	2011-2012 Percentage
70,427,765	100.00	70,255,914	100.00
70,427,765	100.00	70,255,914	100.00
2,010,857	25.70	2,199,185	24.10
5,812,547	74.30	6,925,667	75.90
7,823,404	100.00	9,124,852	100.00

34 CIF value of imports

(i) Packing material

(ii) Spares

(iii) Capital goods

2012-2013 Rs.	2011-2012 Rs.
3,961,082	4,028,082
5,248,384	-
1,899,750	4,231,386

35 Expenditure in foreign currency (accrual basis) :

(i) Salary (net of tax)

(ii) Professional fees

(iii) Membership fees

(iv) Travelling & general expenses

(v) Commission

16,705,839	13,055,802
1,984,914	1,813,913
45,807	22,584
1,037,062	529,080
3,249,441	1,398,365

36 Remittances in foreign currency :

On account of dividend to non-resident shareholders

(i) Interim Dividend

No. of shareholders

No. of equity shares

Amount remitted, net of tax (Rs)

Year to which it pertains

2
20,753,830
4,540,174
2011-2012

37 Earnings in foreign exchange (accrual basis) :

FOB value of exports

140,315,683	119,024,580
-------------	-------------

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 Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current years presentation.

As per our attached report of even date

Anand Daga
Chartered Accountant
Proprietor
Membership No. 048684
Place : Nashik
Date : 05th September, 2013



For and on behalf of the Board

Gedrg Dirk
Chairman

Saji Pillai
Director

