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**REPORTS AND ACCOUNTS OF SUBSIDIARY COMPANIES
AMBUJA CEMENTS LIMITED
ANNUAL REPORT 2014**

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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, 2014.

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 197 of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

4. DIRECTORS

Mr. Sanjeev Churiwala, 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 134 which is introduced by the Companies Act, 2013 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, 2014 and of the loss of the Company for the Year ended on 31st December, 2014.
- (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, 2013 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.
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013 is not given as the same is not applicable.

For and on behalf of Board

Place : Mumbai

Date : 12th January, 2015

Sanjeev Churiwala

Director

Vilas Deshmukh

Director

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, 2014 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") read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs. 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 The 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (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"), as amended, 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 read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs ; and
 - (e) On the basis of written representations received from the directors as on 31st December, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2014, from being appointed as a director in terms of clause (g) of sub section (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 : 12th January, 2015

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 December 31, 2014.

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 not incurred cash losses in the current financial year but incurred cash losses 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 : 12th January, 2015

Balance Sheet As at 31st December, 2014

	Note	As at 31.12.2014 ₹	As at 31.12.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital.....	2	51,400,000	51,400,000
Reserves and surplus	3	(38,397,835)	(38,581,435)
		<u>13,002,165</u>	<u>12,818,565</u>
Current liabilities			
Trade payables	4	7,500	7,500
Other current liabilities	5	1,521,853	1,521,853
		<u>1,529,353</u>	<u>1,529,353</u>
Total		<u><u>14,531,518</u></u>	<u><u>14,347,918</u></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	14,011,798	13,651,945
Short-term loans and advances	9	252,549	363,597
Other current assets.....	10	-	65,205
		<u>14,264,347</u>	<u>14,080,747</u>
Total		<u><u>14,531,518</u></u>	<u><u>14,347,918</u></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 and on behalf of the Board

For Suresh Pareek & Associates
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. 76526

Vilas Deshmukh
Director

Sanjeev Churiwala
Director

Place : Nagaur
Date : 12th January, 2015

Place : Mumbai
Date : 12th January, 2015

Statement of Profit and Loss For the year ended 31st December, 2014

	Note	2014 ₹	2013 ₹
Revenue			
Other income	11	919,589	589,276
Total revenue.....		919,589	589,276
Expenses			
Other expenses.....	12	735,989	2,042,838
Total expenses.....		735,989	2,042,838
Profit / (Loss) for the year		183,600	(1,453,562)
Earnings per equity share of ₹ 10 each	14		
Basic		0.04	(0.28)
Diluted		0.04	(0.28)
Significant accounting policies	1		

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

As per our attached report of even date

For and on behalf of the Board

For Suresh Pareek & Associates
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. 76526

Place : Nagaur
Date : 12th January, 2015

Vilas Deshmukh
Director

Sanjeev Churiwala
Director

Place : Mumbai
Date : 12th January, 2015

Cash Flow Statement For the year ended 31st December, 2014

	2014 ₹	2013 ₹
A) Cash flow from operating activities		
Profit / (Loss) before tax	183,600	(1,453,562)
Adjustment for :		
Interest income	(919,589)	(589,276)
	(919,589)	(589,276)
Operating loss before working capital changes	(735,989)	(2,042,838)
Adjustment for :		
Loans & advances and other current assets	176,253	(29,030)
Trade payables and other current liabilities	-	(15,699,872)
	176,253	(15,728,902)
Net cash used in operating activities (A)	(559,736)	(17,771,740)
B) Cash Flow from investing activities		
Interest received on Fixed Deposits with banks	919,589	589,276
Net Cash flow from investing activities (B)	919,589	589,276
Net increase / (decrease) in cash & cash equivalents (A+B)	359,853	(17,182,464)
Cash and cash equivalents at the beginning of the year	13,651,945	30,834,409
Cash and cash equivalents at the end of the year	14,011,798	13,651,945
	359,853	(17,182,464)
Components of cash and cash equivalents :		
Cash on hand	4,192	4,192
With banks - in current accounts	14,007,606	3,647,753
With banks - in fixed deposits	-	10,000,000
Cash and cash equivalents at the year end	14,011,798	13,651,945

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 and on behalf of the Board

For Suresh Pareek & Associates
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. 76526

Vilas Deshmukh
Director

Sanjeev Churiwala
Director

Place : Nagaur
Date : 12th January, 2015

Place : Mumbai
Date : 12th January, 2015

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

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, read with General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.
- 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 as at the date of financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

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 substantially 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 :

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 is remote.

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 and 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. 2014	As at 31.12. 2013
	₹	₹
2 Share capital		
Authorised		
5,200,000 (previous year - 5,200,000) Equity Shares of ₹ 10 each	52,000,000	52,000,000
	52,000,000	52,000,000
Issued, subscribed and paid up capital		
5,140,000 (previous year - 5,140,000) Equity Shares of ₹ 10 each fully paid up	51,400,000	51,400,000
	51,400,000	51,400,000
a. Terms / Rights 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.		
	As at 31.12.2014	As at 31.12.2013
	No. of shares	% holding
	No. of shares	% holding
b. Details of equity shares held by shareholders holding more than 5% shares in the Company		
Ambuja Cements Limited, the Holding Company	5,139,990	100%
	5,139,990	100%
	As at 31.12.2014	As at 31.12.2013
	No. of shares	₹
	No. of shares	₹
c. Reconciliation of equity shares outstanding		
At the beginning of the year	5,140,000	51,400,000
Add : Issued during the year	-	-
At the end of the year	5,140,000	51,400,000
	As at 31.12. 2014	As at 31.12. 2013
	₹	₹
d. Shares held by holding company, ultimate holding company and their subsidiaries		
Ambuja Cements Limited, the holding company		
5,139,990 (previous year - 5,139,990) equity shares of ₹ 10 each fully paid up	51,399,900	51,399,900
3 Reserves and surplus		
Share premium	12,350,000	12,350,000
Deficit in the Statement of Profit & Loss		
Balance as per last financial statements	(50,931,435)	(49,477,873)
Add : Profit / (Loss) for the year.....	183,600	(1,453,562)
Closing balance	(50,747,835)	(50,931,435)
Total	(38,397,835)	(38,581,435)

Notes to the Financial Statements (Contd.)

	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹	
4 Trade payables			
Audit fees	7,500	7,500	
	7,500	7,500	
5 Other current liabilities			
Mayank Singh Kachava (Director)	1,500,000	1,500,000	
Provision for lease rent	21,853	21,853	
	1,521,853	1,521,853	
6 Tangible assets			
	Freehold Land ₹	Buildings ₹	Total ₹
Gross carrying value at cost			
Opening as on 1st January, 2013	20,364	16,166	36,530
As at 31st December, 2013	20,364	16,166	36,530
At 31st December, 2014	20,364	16,166	36,530
Depreciation			
Opening as on 1st January, 2013	-	15,359	15,359
As at 31st December, 2013	-	15,359	15,359
At 31st December, 2014	-	15,359	15,359
Net carrying value			
At 31st December, 2013	20,364	807	21,171
At 31st December, 2014	20,364	807	21,171
	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹	
7 Long term loans and advances			
Mining security deposit	246,000	246,000	
	246,000	246,000	
	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹	
8 Cash and bank balances			
a. Balances with banks			
- In current account	14,007,606	3,647,753	
- Deposits with original maturity less than 3 months	-	10,000,000	
b. Cash on hand	4,192	4,192	
	14,011,798	13,651,945	
9 Short term loans and advances			
Prepaid expenses	170,056	170,056	
TDS receivable	57,491	182,553	
TCS receivable	25,002	10,988	
	252,549	363,597	
10 Other current assets			
Interest accrued on fixed deposits with bank	-	65,205	
	-	65,205	

Notes to the Financial Statements (Contd.)

	2014	2013
	₹	₹
11 Other income		
Interest on bank fixed deposits	919,589	588,625
Interest - others	-	651
	<u>919,589</u>	<u>589,276</u>
12 Other expenses		
Lease dead rent	702,077	701,012
Land tax	-	1,213,600
Legal and professional charges	20,340	116,731
Miscellaneous expenses*	13,572	11,495
	<u>735,989</u>	<u>2,042,838</u>
* Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor		
As auditor	7,500	8,624
For other services	-	1,124
	<u>7,500</u>	<u>9,748</u>
13 Contingent liabilities (to the extent not provided for)		
Matters for which the company is contingently liable		
Disputed Land tax demand	33,980,800	33,980,800

14 Earning per equity share (EPS) :

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

	2014	2013
	₹	₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	5,140,000	5,140,000
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	5,140,000
Net Profit / (Loss) after tax available for equity shareholders (₹)	183,600	(1,453,562)
Basic / Diluted Earnings per share (in ₹)	0.04	(0.28)

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

15 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
M.G.T. Cements Private Limited, India	Fellow subsidiary

Notes to the Financial Statements (Contd.)

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.

16 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.

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

Signatures to notes 1 to 17

As per our attached report of even date

For and on behalf of the Board

For Suresh Pareek & Associates
Chartered Accountants
ICAI Firm Reg. No. : 007494C

Suresh Pareek
Membership No. 76526

Place : Nagaur
Date : 12th January, 2015

Vilas Deshmukh
Director

Place : Mumbai
Date : 12th January, 2015

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, 2014.

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 197 of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

4. DIRECTORS

Mr. Sanjeev Churiwala, 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 134 which was introduced by the Companies Act, 2013 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, 2014 and of the loss of the Company for the year ended on 31st December, 2014.
- (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, 2013 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.
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The information required to be given pursuant to section 134 (3)(m) of the Companies Act, 2013 is not given as the same is not applicable.

Place : Mumbai

Date : 12th January, 2015

For and on behalf of Board

Sanjeev Churiwala

Director

Vilas Deshmukh

Director

INDEPENDENT AUDITOR'S 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, 2014 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") read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs. 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 The 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (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"), as amended, 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 read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs ; and
 - (e) On the basis of written representations received from the directors as on 31st December, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2014, from being appointed as a director in terms of clause (g) of sub section (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 : 12th, January,2015

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.I. Cements Private Limited for the year ended December 31, 2014.

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 : 12th, January,2015

Balance Sheet As at 31st December, 2014

	Note	As at 31.12.2014 ₹	As at 31.12.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7,500,000	7,500,000
Reserves and surplus	3	(7,173,198)	(7,099,495)
		<u>326,802</u>	<u>400,505</u>
Current liabilities			
Trade payables	4	8,049	8,049
Total		<u>334,851</u>	<u>408,554</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	148,606	188,637
		<u>148,606</u>	<u>188,637</u>
Current assets			
Cash and bank balances	6	186,245	219,917
		<u>186,245</u>	<u>219,917</u>
Total		<u>334,851</u>	<u>408,554</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 : 12th January, 2015

Vilas Deshmukh
Director
Place : Mumbai
Date : 12th January, 2015

Sanjeev Churiwala
Director

Statement of Profit and Loss

For the year ended 31st December, 2014

	Note	2014 ₹	2013 ₹
Revenue			
Revenue from operations		-	-
Total revenue		-	-
Expenses			
Depreciation	7	40,031	160,122
Other expenses	8	33,672	27,627
Total expenses		73,703	187,749
Loss for the year		(73,703)	(187,749)
Earnings per equity share of ₹ 10 each:	9		
Basic		(0.10)	(0.25)
Diluted		(0.10)	(0.25)
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 : 12th January, 2015

Vilas Deshmukh
Director
Place : Mumbai
Date : 12th January, 2015

Sanjeev Churiwala
Director

Cash Flow Statement For the year ended 31st December, 2014

	2014	2013
	₹	₹
Cash flow from operating activities	-	
Loss before tax	(73,703)	(187,749)
Adjustment for:		
Depreciation.....	40,031	160,122
Operating loss before working capital changes	(33,672)	(27,627)
Adjustment for:		
Trade payables	-	4,128
	-	4,128
Net cash used in operating activities	(33,672)	(23,499)
Net decrease in cash & cash equivalents	(33,672)	(23,499)
Cash and cash equivalents at the beginning of the year	219,917	243,416
Cash and cash equivalents at the end of the year	186,245	219,917
	(33,672)	(23,499)
Components of cash and cash equivalents :		
Cash on Hand	1,233	1,233
With banks-in current accounts.....	185,012	218,684
Cash and cash equivalents at the year end	186,245	219,917

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 : 12th January, 2015

For and on behalf of the Board

Vilas Deshmukh

Director

Place : Mumbai

Date : 12th January, 2015

Sanjeev Churiwala

Director

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

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,read with General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.
- 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 as at the date of financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

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 :

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 is remote.

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 31.12.2014 ₹	As at 31.12.2013 ₹
2 Share capital		
Authorised		
1,000,000 (previous year - 10,00,000) 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 (previous year - 750,000) Equity Shares of ₹ 10 each fully paid up	7,500,000	7,500,000
	7,500,000	7,500,000

a. Terms / Rights 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.

	As at 31.12.2014		As at 31.12.2013	
	No. of shares	% holding	No. of shares	% holding
b. Details of equity shares held by shareholders holding more than 5% shares in the Company				
Ambuja Cements Limited, the holding company	749,990	100%	749,990	100%

	As at 31.12.2014		As at 31.12.2013	
	No. of shares	₹	No. of shares	₹
c. Reconciliation of equity shares outstanding				
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

	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹
d. Shares held by holding company , ultimate holding company and their subsidiaries		
Ambuja Cements Limited, the holding company	7,499,900	7,499,900
749,990 (previous year - 749,990) equity shares of ₹ 10 each fully paid up		

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	(16,399,185)	(16,211,436)
Add : Loss for the year	(73,703)	(187,749)
Closing balance	(16,472,888)	(16,399,185)
Total	(7,173,198)	(7,099,495)

Notes to the Financial Statements (Contd.)

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
4 Trade payables		
Other than micro, small and medium enterprises	8,049	8,049
	8,049	8,049
5 Tangible assets		
	Buildings ₹	Total ₹
Gross carrying value, at cost		
Opening as on 1st January, 2013	4,794,086	4,794,086
As at 31st December, 2013	4,794,086	4,794,086
At 31st December, 2014	4,794,086	4,794,086
Depreciation		
Opening as on 1st January, 2013	4,445,327	4,445,327
Charge for the year	160,122	160,122
As at 31st December, 2013	4,605,449	4,605,449
Charge for the year	40,031	40,031
At 31st December, 2014	4,645,480	4,645,480
Net carrying value		
At 31st December, 2013	188,637	188,637
At 31st December, 2014	148,606	148,606
	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹
6 Cash and bank balances		
Balances with banks		
- in Current account	185,012	218,684
Cash on hand	1,233	1,233
	186,245	219,917
	2014 ₹	2013 ₹
7 Depreciation		
Depreciation on tangible Assets	40,031	160,122
	40,031	160,122
8 Other expenses		
Miscellaneous expenses*	33,672	27,627
	33,672	27,627
* Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor		
As auditor	7,500	8,624
For other services	-	6,124
Total	7,500	14,748

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 :

	2014 ₹	2013 ₹
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 (₹)	(73,703)	(187,749)
Basic Diluted Earning per share (in ₹)	(0.10)	(0.25)

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 :

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
Chemical Limes Mundwa Private Limited , India	Fellow subsidiary

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 : 12th January, 2015

Vilas Deshmukh
Director
Place : Mumbai
Date : 12th January, 2015

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, 2014.

1. FINANCIAL RESULTS

The Company has not commenced any business activities.

2. AUDITORS

M/s. SGCD & 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 197 of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

4. DIRECTORS

Mr. Sanjeev Churiwala, 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 134 which was introduced by the Companies Act, 2013 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, 2014 and of the loss of the Company for the Year ended on 31st December, 2014.
- (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, 2013 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.
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The information required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 is not given as the same is not applicable.

For and on behalf of Board

Place : Mumbai

Date : 12th January, 2015

Sanjeev Churiwala
Director

Rajiv Gandhi
Director

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, 2014 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") read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs. 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 The 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (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"), as amended, 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 read with the General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs ; and
 - (e) On the basis of written representations received from the directors as on 31st December, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2014, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

Shyamratan Singrodia
Partner
Membership Number : 49006

Place: Mumbai
Date : 12th January, 2015

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 December 31, 2014.

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

Shyamratan Singrodia
Partner
Membership Number : 49006

Place: Mumbai
Date : 12th January, 2015

Balance Sheet As at 31st December, 2014

	Note	As at 31.12.2014 ₹	As at 31.12.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	<u>(655,979)</u>	<u>(605,716)</u>
		344,021	394,284
Current liabilities			
Trade payables	4	<u>11,236</u>	11,236
Total		<u>355,257</u>	<u>405,520</u>
ASSETS			
Current Assets			
Cash and bank balances	5	<u>355,257</u>	405,520
Total		<u>355,257</u>	<u>405,520</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

ICAI Firm Reg. No. : 112081W

Shyamratan Singrodia

Partner

Membership Number : 049006

Place : Mumbai

Date : 12th January, 2015

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Statement of Profit and Loss For the year ended 31st December, 2014

	Note	2014 ₹	2013 ₹
Revenue			
Revenue from operations		-	-
Total revenue		-	-
Expenses			
Other expenses	6	50,263	46,311
Total expenses		50,263	46,311
Loss for the year		(50,263)	(46,311)
Earnings per equity share of ₹ 10 each	7		
Basic		(0.50)	(0.46)
Diluted		(0.50)	(0.46)
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

ICAI Firm Reg. No. : 112081W

Shyamratan Singrodia

Partner

Membership Number : 049006

Place : Mumbai

Date : 12th January, 2015

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Cash Flow Statement For the year ended 31st December, 2014

	2014	2013
	₹	₹
A) Cash flow from operating activities		
Loss before tax	(50,263)	(46,311)
Adjustment for:		
Finance costs	-	-
Operating loss before working capital changes	(50,263)	(46,311)
Adjustment for:		
Trade payables	-	-
Net cash used in operating activities (A)	(50,263)	(46,311)
 B) Cash Flow from financing activities		
Proceeds from issue of equity share capital	-	-
Loan received from Holding Company	-	-
Loan repayment to Holding Company	-	-
Interest cost	-	-
Net cash flow from financing activities (B)	-	-
Net increase / (decrease) in cash & cash equivalents (A+B)	(50,263)	(46,311)
 Cash and cash equivalents at the end of the year	355,257	405,520
Cash and cash equivalents at the beginning of the year	405,520	451,831
	(50,263)	(46,311)
 Components of cash and cash equivalents :		
Cash on Hand	-	-
With banks - in current accounts	355,257	405,520
Cash and cash equivalents at the year end	355,257	405,520

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

ICAI Firm Reg. No. : 112081W

Shyamratan Singrodia

Partner

Membership Number : 049006

Place : Mumbai

Date : 12th January, 2015

For and on behalf of the Board

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES:

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, read with General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.
- 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 as at the date of financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

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 :

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 is remote.

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 31.12.2014 ₹	As at 31.12.2013 ₹
2 Share capital		
Authorised capital		
100,000 (previous year -100,000) Equity Shares of ₹ 10 each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, subscribed and fully paid up		
100,000 (previous year -100,000) Equity Shares of ₹ 10 each fully paid up	1,000,000	1,000,000
	1,000,000	1,000,000

a) Terms / Rights 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.

	As at 31.12.2014		As at 31.12.2013	
	No. of shares	% holding	No. of shares	% holding
b) Details of equity shares held by shareholders holding more than 5% shares in the Company				
Ambuja Cements Limited, the holding company	100,000	100%	100,000	100%

	As at 31.12.2014		As at 31.12.2013	
	No. of shares	₹	No. of shares	₹
c) Reconciliation of equity shares outstanding				
At the beginning of the year	100,000	1,000,000	100,000	1,000,000
Add : Issued during the year	-	-	-	-
At the end of the year	100,000	1,000,000	100,000	1,000,000

	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹
d) Shares held by holding Company, ultimate holding company and their subsidiaries		
Ambuja Cements Limited, the holding company	1,000,000	1,000,000
100,000 (previous year - 100,000) equity shares of ₹ 10 each fully paid up		

Notes to the Financial Statements (Contd.)

	As at 31.12. 2014 ₹	As at 31.12. 2013 ₹
3 Reserves and surplus		
Deficit in the Statement of profit & loss		
Balance as per last financial statements	(605,716)	(559,405)
Add : Loss for the year	(50,263)	(46,311)
Closing balance	<u>(655,979)</u>	<u>(605,716)</u>
4 Trade payables		
Trade payables		
Other than micro, small and medium enterprises	11,236	11,236
	<u>11,236</u>	<u>11,236</u>
5 Cash and bank balances		
a. Balances with banks		
- On current account	355,257	405,520
b. Cash on hand	-	-
	<u>355,257</u>	<u>405,520</u>
	2014	2013
	₹	₹
6 Other expenses		
Miscellaneous expenses*	50,263	46,311
	<u>50,263</u>	<u>46,311</u>
* Miscellaneous expenses include payment to auditors (excluding service tax)		
Statutory auditor		
As auditor	11,236	11,236
For other services	23,596	25,057
Total	<u>34,832</u>	<u>36,293</u>

7 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	2014 ₹	2013 ₹
Weighted average number of Equity Shares of ₹ 10 each		
i) Number of shares at the beginning of the year	100,000	100,000
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	100,000
Net Loss after tax available for equity shareholders (₹)	(50,263)	(46,311)
Basic / Diluted Earning per share (₹)	(0.50)	(0.46)

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

Notes to the Financial Statements (Contd.)

8 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	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.

9 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.

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

Signatures to Notes 1 to 10

As per our attached report of even date

For and on behalf of the Board

For S G C O & Co.

Chartered Accountants

ICAI Firm Reg. No. : 112081W

Shyamratan Singrodia

Partner

Membership Number : 049006

Place : Mumbai

Date : 12th January, 2015

Rajiv Gandhi

Director

Sanjeev Churiwala

Director

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 December 31, 2014 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 the 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 Limited, as at 31 December 2014 and of its Profit 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 statements 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 : 12th January 2015

Balance Sheet As at 31st December, 2014

	Note	As at 31.12.2014 ₹	As at 31.12.2013 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	138,412,188	138,412,188
Reserves and surplus	3	(52,914,134)	(53,964,602)
		85,498,054	84,447,586
Non-current liabilities			
Deferred tax liability (net)		729	972
		729	972
Current liabilities			
Other current liabilities	4	14,375	11,875
		14,375	11,875
Total		85,513,158	84,460,433
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	34,274,659	34,285,510
Long term loans and advances	6	50,000	50,000
Other Non-current assets	7	25,000,000	25,000,000
		59,324,659	59,335,510
Current assets			
Cash and bank balances	8	23,598,216	23,191,928
Loans and advances	6	2,317,963	1,551,368
Other current assets	7	272,320	381,627
		26,188,499	25,124,923
Total-assets		85,513,158	84,460,433
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

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

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place: Kathmandu

Date : 12th January, 2015

Place: Mumbai

Date : 12th January, 2015

Statement of Profit and Loss For the period ended 31st December, 2014

	Note	2014 ₹	2013 ₹
Revenue			
Revenue from operations		-	-
Other Income		1,962,928	2,604,285
Total Revenue		1,962,928	2,604,285
Expenses			
Depreciation and amortization expenses	5	10,851	11,839
Other expenses	9	901,852	906,669
Total expenses		912,703	918,508
Profit/ (loss) before tax		1,050,225	1,685,777
Tax expenses			
Deferred tax credit		243	323
Profit/(loss) for the period		1,050,468	1,686,100
Earnings per equity share of ₹ 62.50 each	10		
Basic		0.47	0.76
Diluted		0.47	0.76
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

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

Place: Kathmandu

Date : 12th January, 2015

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place: Mumbai

Date : 12th January, 2015

Cash Flow Statement for the period ended 31st December, 2014

	2014 ₹	2013 ₹
A Cash flow from operating activities		
Profit/(Loss) before tax	1,050,225	1,685,777
Adjustments for :		
Depreciation	10,851	11,839
Interest income.....	(1,962,928)	(2,591,435)
Profit on sale of fixed assets	-	(12,850)
Operating profit before working capital changes	(901,852)	(906,669)
Adjustments for :		
Trade payables.....	2,500	-
Loan & Advances and other assets	(657,288)	(757,432)
Net cash flow from / (used in) operating activities (A)	(1,556,640)	(1,664,101)
B Cash flow from investing activities		
Interest received on FDR from Nepal SBI.....	1,962,928	2,591,435
Realisation from sale of plant,property & equipments	-	20,464
Net cash flow from / (used in) investing activities (B)	1,962,928	2,611,899
C Cash flow from financing activities		
Net cash flow from financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	406,288	947,798
Cash and cash equivalents at the end of the year	23,598,216	23,191,928
Cash and cash equivalents at the beginning of the year	23,191,928	22,244,130
	406,288	947,798
D Components of cash and cash equivalents		
Cash on hand	30,591	27,134
With banks - on current accounts	11,067,625	10,664,794
With banks - on deposit accounts	12,500,000	12,500,000
Cash and cash equivalents at the year end	23,598,216	23,191,928

Notes :

1) 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 B & B ASSOCIATES

Chartered Accountants

B. M. Dhungana

Partner

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

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place: Kathmandu

Date : 12th January, 2015

Place: Mumbai

Date : 12th January, 2015

Notes to the Financial Statements

1 Significant Accounting Policies:

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, read with General Circular No. 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs.
- 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 as at the date of financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.
- iv As the company is incorporated in Nepal under the Companies Act 2013 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.

b) i 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.

ii Depreciation and Amortisation:

- a 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 .
- b 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) Taxation :

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.

e) Provisions and 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 is remote.

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 on 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 31.12.2014 ₹	As at 31.12.2013 ₹
2 Share capital		
Authorised capital		
70,000,000 (previous year - 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 Subscribed and fully paid up		
2,214,595 (previous year - 2,214,595) Equity Shares of ₹ 62.50 each	138,412,188	138,412,188
Total	138,412,188	138,412,188

a) Terms / Rights attached to Equity Shares

- i) The Company has only one class of equity shares having a par value of ₹ 62.50 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.

	As at 31.12.2014		As at 31.12.2013	
	No. of shares	% holding	No. of shares	% holding
b) Details of equity shares held by shareholders holding more than 5% shares in the Company				
Ambuja Cements Limited, the holding company	2,029,135	92%	2,029,135	92%

	As at 31.12.2014		As at 31.12.2013	
	Number	₹	Number	₹
c) Reconciliation of equity share outstanding				
At the beginning of the year	2,214,595	138,412,188	2,214,595	138,412,188
Add: Issued during the year	-	-	-	-
At the end of the year	2,214,595	138,412,188	2,214,595	138,412,188

	As at 31.12. 2014 ₹	As at 31. 12. 2013 ₹
d) Shares held by holding Company, ultimate holding company and their subsidiaries		
Ambuja Cements Limited, the holding company		
2,029,135 (previous year - 2,029,135) equity shares of ₹ 62.50 each fully paid up.	126,820,928	126,820,938

3. Reserves and surplus

Surplus/(Deficit) in the Statement of Profit and Loss

Balance as per last financial statements	(53,964,602)	(55,650,702)
Add: Profit for the year	1,050,468	1,686,100
Closing balance	(52,914,134)	(53,964,602)

Notes to the Financial Statements (Contd.)

	As at 31.12. 2014	As at 31. 12. 2013
	₹	₹
4 Other current liabilities		
Other than Micro, Small and Medium Enterprises	9,375	9,375
TDS payable.....	5,000	2,500
	<u>14,375</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
Cost						
Opening as on 1st January, 2013	33,017,910	1,158,500	96,750	68,647	55,477	34,397,284
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	55,477	55,477.00
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>
Additions	-	-	-	-	-	-
At 31st December, 2014	<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, 2013.....	-	-	4,562	40,884	46,875	92,321
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>
Charge for the year	-	-	6,124	4,727	-	10,851
At 31st December, 2014	<u>-</u>	<u>-</u>	<u>16,810</u>	<u>50,338</u>	<u>-</u>	<u>67,148</u>
Net carrying value						
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>
At 31st December, 2014	<u>33,017,910</u>	<u>1,158,500</u>	<u>79,940</u>	<u>18,309</u>	<u>-</u>	<u>34,274,659</u>

	Non-current		Current	
	As at 31.12. 2014	As at 31. 12. 2013	As at 31.12. 2014	As at 31. 12. 2013
	₹	₹	₹	₹
6 Loans and Advances				
Unsecured, considered good				
Security deposit	50,000	50,000	-	-
Advance recoverable in cash or kind.....	-	-	1,246,094	781,250
Prepaid expenses	-	-	12,500	12,500
TDS receivable	-	-	990,440	696,002
Value added tax receivable.....	-	-	68,929	61,616
	<u>50,000</u>	<u>50,000</u>	<u>2,317,963</u>	<u>1,551,368</u>

Notes to the Financial Statements (Contd.)

Particulars	Non current		Current	
	As at	As at	As at	As at
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	₹	₹	₹	₹
7 Other current assets				
Non-current bank balances (Refer note 8).....	25,000,000	25,000,000	-	-
Interest accrued on fixed deposit.....	-	-	272,320	381,627
	25,000,000	25,000,000	272,320	381,627
			As at	As at
			31.12.2014	31.12.2013
			₹	₹
8 Cash and bank balances				
a. Balances with banks.....				
- On current accounts.....			11,067,625	10,664,794
Deposits with original maturity of less than three months.....			12,500,000	12,500,000
b. Cash on hand.....			30,591	27,134
			23,598,216	23,191,928
Other Bank Balances				
Deposits with original maturity for more than 12 months.....			25,000,000	25,000,000
			48,598,216	48,191,928
Amount disclosed under non-current assets (Refer note - 7).....			(25,000,000)	(25,000,000)
			23,598,216	23,191,928
9 Other expenses				
Miscellaneous expenses*			901,852	906,669
			901,852	906,669
* Miscellaneous expenses include payment to auditors (excluding service tax)				
Statutory auditor			37,500	37,500
For other services			18,750	9,375
Total			56,250	46,875

10 Earnings per Equity Share (EPS) :

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

	2014	2013
	₹	₹
Weighted average number of Equity Shares of ₹ 62.50 each		
i) Number of shares at the beginning of the year	2,214,595	2,214,595
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	2,214,595
Net Profit/(Loss) after tax available for equity shareholders. (₹)	1,050,468	1,686,100
Basic / Diluted Earning per share (in ₹)	0.47	0.76

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

11 Related party disclosure

Notes to the Financial Statements (Contd.)

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	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.

12 Taxation :

Current Tax

In absence of taxable income as per the provisions of the Nepal Income Tax Act, 2058 in the current year, provision for current tax has not been made.

Deferred Taxes

Deferred taxes liabilities and assets computed for present obligation as a result of past events attributable to the timing difference between taxable income and accounting income .

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

Signatures to notes 1 to 13

As per our attached report of even date

For B & B ASSOCIATES

Chartered Accountants

B. M. Dhungana

Partner

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

For and on behalf of the Board

Abhijit Ghosh

Director

Sanjeev Churiwala

Director

Place : Mumbai

Date : 12th January, 2015

Place : Mumbai

Date : 12th January, 2015

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 December 2014, 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), read with General Circular No. 8/ 2014 dated 4th April 2014 issued by the Ministry of Corporate affairs.

Anand S. Daga

Chartered Accountant

Proprietor

Membership No. 048684

Place : Nashik

Date : 14th January, 2015

Balance Sheet As at 31st December, 2014

	Note	As at 31.12.2014 ₹	As at 31.12.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	20,753,830	20,753,830
Reserves and surplus.....	3	(273,384,519)	(117,069,049)
		<u>(252,630,689)</u>	<u>(96,315,219)</u>
Non-current liabilities			
Long-term borrowings	4	426,455,925	148,238,912
Long-term provisions	5	7,059,877	6,892,525
		<u>433,515,802</u>	<u>155,131,437</u>
Current liabilities			
Short-term borrowings	6	-	171,100,000
Trade payables.....	7	45,161,471	39,076,149
Other current liabilities.....	8	48,879,680	71,246,655
Short-term provisions	5	361,767	417,341
		<u>94,402,918</u>	<u>281,840,145</u>
Total		<u>275,288,031</u>	<u>340,656,363</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	184,224,325	185,353,902
Intangible assets.....	9	2,200,281	2,961,354
Capital work in progress (Refer note 37)		15,756,524	-
		<u>202,181,130</u>	<u>188,315,256</u>
Deferred tax assets (net)	10	-	-
Long-term loans and advances	11	14,990,360	14,301,027
Other non-current assets.....	12	2,698,746	3,183,086
		<u>17,689,106</u>	<u>17,484,113</u>
Current assets			
Inventories.....	13	8,146,771	13,698,009
Trade receivables	14	32,573,117	11,968,733
Cash and bank balances.....	16	2,626,773	838,313
Short-term loans and advances	11	11,796,894	97,719,939
Other current assets.....	15	274,240	10,632,000
		<u>55,417,795</u>	<u>134,856,994</u>
Total		<u>275,288,031</u>	<u>340,656,363</u>
Significant accounting policies	1B		

The accompanying notes are integral part of the consolidated 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

Vilas Deshmukh Sanjeev Churiwala
Chairman Director

Place : Nashik
Date : 14th January, 2015

Cash Flow Statement

Cash Flow Statement for the period 1st January, 2014 to 31st December, 2014

	For the period 31st Dec., 2014	For the period 31st Dec., 2013
₹	₹	₹
Cash flow from operating activities		
Net Profit before tax	(106,274,123)	(139,079,243)
Adjustments for :		
Depreciation and amortisation.....	25,577,029	26,197,204
Loss on sale of assets (Net)	1,099,672	6,302,962
Reversal of State Government Subsidy	1,500,000	-
Finance costs	51,159,676	33,275,410
Interest income.....	(346,221)	(7,292,853)
	<u>78,990,156</u>	<u>58,482,723</u>
Operating profit before working capital changes.....	(27,283,967)	(80,596,520)
Adjustment for :		
Trade receivables, loans & advances and other assets	(2,730,187)	13,015,954
Inventories.....	7,903,162	3,771,599
Trade payables, other liabilities and provisions	11,970,829	(75,798,122)
	<u>17,143,804</u>	<u>(59,010,569)</u>
Cash generated from / (used in) operations.....	(10,140,164)	(139,607,089)
Net income tax (Paid)	(420,611)	-
Net cash flow from / (used in) operating activities (A)	(10,560,775)	(139,607,089)
Cash flow from investing activities		
Purchase of assets, including capital work in progress and capital advances ..	(158,873)	(1,656,412)
Proceeds from sale of fixed assets.....	318,507	2,856,271
Redemption / (Investment) in bank deposit (having original maturity of more than three months)	-	5,280,000
Investment in bank deposit (having original maturity of more than twelve months).....	384,340	(1,276,780)
Interest received	346,221	7,292,853
Net cash flow from / (used in) investing activities (B)	890,195	12,495,932
Cash flow from financing activities		
Repayment of long-term borrowings	(6,677,630)	(19,747,482)
Repayment of long-term borrowings - Holding company	(9,375,000)	(24,999,996)
Proceeds of long- term borrowings - Holding company	-	110,738,908
Inter corporate deposits from Holding company.....	78,300,000	171,100,000
Repayment of short term borrowings	-	(80,375,940)
Interest paid.....	(51,159,676)	(33,275,410)
Net cash flow from / (used in) financing activities (C)	11,087,695	123,440,080
Net increase / (decrease) in cash & cash equivalent (A+B+C)	1,417,115	(3,671,077)
Cash and cash equivalent at the beginning of the period	838,313	4,509,390
Cash and cash equivalent acquired on account of amalgamation.....	371,345	-
Cash and cash equivalent at the end of the period	<u>2,626,773</u>	<u>838,313</u>
	<u>1,417,115</u>	<u>(3,671,077)</u>

Cash Flow Statement (Contd.)

Components of cash and cash equivalents

Cash on hand	92,412	87,314
With banks - on current account.....	2,534,361	750,999
With banks - demand deposit with maturity less than 3 months	-	-
	2,626,773	838,313
Add : With banks - demand deposit with maturity 3-12 months	-	-
Cash and bank balance as per note no. 16	2,626,773	838,313

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 1B

The accompanying notes are integral part of the consolidated 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

Vilas Deshmukh Sanjeev Churiwala
Chairman Director

Place : Nashik
Date : 14th January, 2015

Notes to the Financial Statements

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

1. (A) Basis of Preparation of Financial Statements :

- (a) 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, read with General Circular No. 8/2014 dated 4th April 2014, issued by the ministry of Corporate Affairs.
- (b) Financial statements are based on historical cost and are prepared on accrual basis.
- (c) 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.

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

Notes to the Financial Statements

(g) Employee Benefits :

(i) Defined Contribution Plan

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation 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) 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 31.12.2014	As at 31.12.2013
	₹	₹
2 Share capital		
Authorized		
3,500,000 (31.12.2012 - 3,000,000) Equity Shares of ₹ 10 each	35,000,000	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 31.12.2014		As at 31.12.2013	
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) The authorised share capital stands increased pursuant to scheme of amalgamation the details of which are given in note 27

As at 31.12.2014	As at 31.12.2013
₹	₹

d) 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

2,075,383 (31.12.2013 - 1,660,306) Equity Shares of ₹ 10 each fully paid-up	20,753,830	16,603,060
---	-------------------	------------

As at 31.12.2014		As at 31.12.2013	
No. of shares	% holding	No. of shares	% holding

e) Details of shareholders holding more than 5% shares in the Company

i) Ambuja Cements Limited - Holding Company.....	2,075,383	100.00%	1,660,306	80.00%
ii) Milbank Ltd.....	-	-	415,077	20.00%

As at 31.12.2014	As at 31.12.2013
₹	₹

3 Reserves and surplus

Subsidies :

Balance as per the last financial statements.....	-	-
As capital investment subsidy from State Government	1,500,000	-
(A)	1,500,000	-

Notes to the Financial Statements (Contd.)

3 Reserves and surplus (Contd.)

		As at 31.12.2014 ₹	As at 31.12.2013 ₹
General Reserve :			
Balance as per the last financial statements.....	(B)	36,083,142	36,083,142
Deficit in the statement of profit and loss			
Balance as per the last financial statements.....		(153,152,191)	(14,048,948)
Adjustment pursuant to amalgamation of Dirk Pozzocrete (MP) Pvt Ltd - Balance in statement of profit and loss as on January 01, 2014 #		(51,120,736)	-
Loss for the year.....		(106,694,734)	(139,103,243)
Net Deficit in the statement of profit and loss.....	(C)	(310,967,661)	(153,152,191)
Total	(A+B+C)	(273,384,519)	(117,069,049)

Please refer note 27.

	Non-current		Current	
	As at 31.12.2014 ₹	As at 31.12.2013 ₹	As at 31.12.2014 ₹	As at 31.12.2013 ₹
4 Long-term borrowings				
Term loans				
Loan from bank of maharashtra #	692,013	0	5,625,000	2,127,997
Loans from Ambuja Cements Limited	425,763,912	148,238,912	-	37,500,000
	<u>426,455,925</u>	<u>148,238,912</u>	<u>5,625,000</u>	<u>39,627,997</u>
Amount disclosed under the head "Other current liabilities" (Refer Note 8).....	-	-	(5,625,000)	(39,627,997)
Total	<u>426,455,925</u>	<u>148,238,912</u>	<u>-</u>	<u>-</u>
The above amount includes				
Secured borrowings	692,013	0	5,625,000	2,127,997
Unsecured borrowings.....	425,763,912	148,238,912	-	37,500,000
Net amount	<u>426,455,925</u>	<u>148,238,912</u>	<u>5,625,000</u>	<u>39,627,997</u>

Loan from Bank of Maharashtra

Term loan from the bank with floating interest @ 14.50% p.a.(As on 31st December, 2014)

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 all Fixed Assets at Nashik and Plant & Machinery, Factory Land & Building and Hypothecation of Finished Goods, Debtors and Current Assets of Madhya Pradesh Plant/Operations (Firstwhile Dirk Pozzocrete (MP) Pvt Ltd which now stands amalgamated with Dirk India Pvt Ltd w.e.f 1st April 2013).

5 Provisions

	Long-term		Short-term	
	As at 31.12.2014 ₹	As at 31.12.2013 ₹	As at 31.12.2014 ₹	As at 31.12.2013 ₹
Provision for employee benefits				
Provision for gratuity	7,059,877	6,892,525	361,767	417,341
Total	<u>7,059,877</u>	<u>6,892,525</u>	<u>361,767</u>	<u>417,341</u>

6 Short-term borrowings

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
From Ambuja Cements Limited		
Inter-corporate deposit		171,100,000
Total		<u>171,100,000</u>
Rate of interest :		
Inter-corporate deposit		12.00% p.a.

Notes to the Financial Statements (Contd.)

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
7 Trade payables		
Trade Payables (Refer note 38)	45,161,471	39,076,149
Total	<u>45,161,471</u>	<u>39,076,149</u>
8 Other Current Liabilities		
Current maturities of Long-term borrowing (refer note 4)	5,625,000	39,627,997
Interest accrued but not due - Ambuja Cements Limited	38,474,256	23,648,707
Interest accrued but not due - Bank of Maharashtra	-	31,828
Statutory dues payable	934,403	2,877,568
Trade payable - capital goods	447,459	448,224
Advance received from customer	1,603,524	778,198
Security deposit	1,377,568	1,876,155
Others	417,471	1,957,978
Total	<u>48,879,681</u>	<u>71,246,655</u>

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, 2013....	1,996,890	64,118,976	267,053,163	10,737,214	8,662,158	4,741,797	98,264	357,408,462	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	-	-
As at 31st Dec, 2013	1,100,000	64,200,466	256,796,672	10,857,718	8,776,985	4,882,728	98,264	346,712,833	5,433,473	5,433,473
Additions on account of amalgamation	6,170,210	9,615,347	9,460,559	2,454,814	851,581	157,273	-	28,709,784	-	-
Additions	-	-	79,063	8,969	-	70,841	-	158,873	-	-
Deductions / Transfers	-	-	-	389,357	1,622,463	192,559	-	2,204,379	-	-
At 31st Dec, 2014	7,270,210	73,815,813	266,336,294	12,932,144	8,006,103	4,918,283	98,264	373,377,111	5,433,473	5,433,473
Depreciation / Amortisation										
Opening as on 1st Jan, 2013....	-	2,689,138	126,104,800	6,385,974	1,355,435	2,777,031	22,023	139,334,401	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	-	-
As at 31st Dec, 2013	-	4,488,405	144,513,497	7,227,523	1,906,903	3,175,139	47,464	161,358,931	2,472,119	2,472,119
Additions on account of amalgamation	-	855,321	2,093,716	532,066	229,832	53,164	-	3,764,099	-	-
Charge for the year	-	2,122,523	20,661,457	1,051,905	535,665	418,955	25,451	24,815,956	761,073	761,073
Deductions / Transfers	-	-	-	203,047	497,288	85,865	-	786,200	-	-
At 31st Dec, 2014	-	7,466,249	167,268,670	8,608,447	2,175,112	3,561,393	72,915	189,152,786	3,233,192	3,233,192
Net carrying value										
As 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
At 31st Dec, 2014	7,270,210	66,349,564	99,067,624	4,323,697	5,830,991	1,356,890	25,349	184,224,325	2,200,281	2,200,281

Note : Please refer note 27.

Notes to the Financial Statements (Contd.)

	As at 31.12.2014		As at 31.12.2013	
	₹		₹	
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	2,293,000		2,388,000	
Unabsorbed loss.....	11,354,000		10,307,000	
Total	13,647,000		12,695,000	
b) Deferred tax liabilities, on account of :				
Depreciation	(13,647,000)		(12,695,000)	
Total	(13,647,000)		(12,695,000)	
	-		-	
	Non-current		Current	
	As at	As at	As at	As at
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	₹	₹	₹	₹
11 Loans and advances				
Unsecured, considered good				
Capital advances.....	500,834	424,129	-	-
Security deposit	4,741,993	4,575,070	-	-
Dirk Pozzocrete (MP) Pvt Ltd	-	-	-	76,805,802
Advances recoverable in cash or kind	-	-	979,553	1,426,539
Other Loans and advances				
Service tax receivable	-	-	3,757,460	13,597,346
MAT credit entitlement	9,321,217	9,301,828	-	-
Electricity duty receivable.....	-	-	-	1,087,605
TDS / Income tax receivable.....	426,316	-	1,775,284	634,765
Excise duty balance	-	-	4,713,185	3,084,546
Loan / advances to employees	-	-	35,559	251,437
Prepaid expenses.....	-	-	535,853	831,899
Total	14,990,360	14,301,027	11,796,894	97,719,939
			As at	As at
			31.12.2014	31.12.2013
			₹	₹
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
Deposits with original maturity for more than 12 months			2,698,746	3,083,086
Total			2,698,746	3,183,086
13 Inventories				
(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)				
Raw materials	207,748		342,245	
Finished goods	321,231		3,990,312	
Stores and spares parts.....	4,376,196		5,220,718	
Packing materials	3,241,596		4,144,734	
Total	8,146,771		13,698,009	

Notes to the Financial Statements (Contd.)

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
14 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good.....	853,722	3,146,441
Unsecured, considered doubtful	2,660,277	-
	3,513,999	3,146,441
Provision for Doubtful Debts.....	(2,660,277)	(1,679,518)
	853,722	1,466,923
Other receivables		
Unsecured, considered good	31,719,395	10,501,810
Total	32,573,117	11,968,733
15 Other current assets		
Unsecured, considered good		
Interest accrued on fixed deposit.....	274,240	356,182
Interest accrued - Dirk Pozzocrete (MP) Pvt Ltd.....	-	4,242,348
Receivable from Directors (Refer note 39)	-	6,033,470
Total	274,240	10,632,000
16 Cash and bank balances		
Cash and Cash Equivalents		
Balances with bank :		
In Current accounts.....	2,534,361	750,999
Deposit with original maturity upto 3 months #.....	-	-
Cash on hand	92,412	87,314
	2,626,773	838,313
Other bank balances :		
Fixed deposit with banks		
Original maturity more than 12 months #	2,698,746	3,083,086
Original maturity more than 3 months and upto 12 months #	-	-
	2,698,746	3,083,086
Amount disclosed under Non-current assets (Refer note 12)	(2,698,746)	(3,083,086)
Total	2,626,773	838,313
# Deposits are offered as security for loan / kept as margin money against bank guarantees		
	2014 ₹	2013 ₹
17 Other operating revenue		
Revenue from Job Work	53,184,975	-
By-product revenue	4,989,438	-
Sale of scrap.....	339,579	152,553
Exchange rate variation (Net)	-	13,164
Provision no longer required written back	176,019	-
Total	58,690,011	165,717

Notes to the Financial Statements (Contd.)

	2014	2013
	₹	₹
18 Other income		
Interest income on		
Interest on bank deposits.....	346,221	318,397
Interest - Others.....	-	-
Interest - Dirk pozzocrete (mp) pvt ltd.....	-	6,974,456
Profit on sale of fixed asset.....	7,794	672,480
Total	<u>354,015</u>	<u>7,965,333</u>
19 Cost of raw materials consumed		
Opening stock.....	342,245	166,164
Add : Acquired on amalgamation.....	388,588	-
Add : Purchases.....	50,589,860	65,973,006
Less : Closing stock.....	207,748	342,245
Total	<u>51,112,945</u>	<u>65,796,925</u>
Break-up of raw materials consumed		
Fly ash.....	49,559,285	62,138,274
Cement.....	1,553,660	3,658,651
Total	<u>51,112,945</u>	<u>65,796,925</u>
20 Changes in inventories of finished goods		
Closing stock :		
Finished goods	321,231	3,990,312
Opening stock :		
Finished goods	3,990,312	3,071,308
Finished goods acquired on account of amalgamation	121,801	-
(Increase) / Decrease	<u>3,790,882</u>	<u>(919,004)</u>
21 Employee benefits expense		
Salaries and wages (Refer note 40).....	37,029,673	50,917,366
Contribution to provident and other fund	1,967,004	959,579
Staff welfare expenses	2,304,783	2,762,800
Total	<u>41,301,460</u>	<u>54,639,745</u>
22 Freight and forwarding expenses		
On finished products.....	45,661,633	81,403,857
Total	<u>45,661,633</u>	<u>81,403,857</u>
23 Finance costs		
Interest :		
On term loans	1,192,537	1,747,917
On working capital loans.....	33,212	4,323,793
On Inter-corporate deposit.....	28,044,059	7,534,228
On others	21,889,868	19,011,740
Total	<u>51,159,676</u>	<u>32,617,678</u>
Other borrowing cost.....	-	657,732
Total	<u>51,159,676</u>	<u>33,275,410</u>

Notes to the Financial Statements (Contd.)

	2014	2013
	₹	₹
24 Depreciation and amortization expense		
Depreciation on tangible assets	24,815,956	25,217,339
Depreciation on intangible assets	761,073	979,865
Total	25,577,029	26,197,204
25 Other expenses		
Stores & spares consumed	2,609,649	4,415,383
Provision for slow and non-moving spares	1,363,275	1,536,276
Packing material consumed.....	9,818,008	17,349,504
Repairs and maintenance :		
Building.....	-	1,634,002
Machinery	2,400,375	2,629,104
Other	-	186,448
Rent	1,672,727	4,153,388
Insurance.....	780,740	975,971
Advertisement & publicity	278,438	4,730,363
Commission on sales.....	1,749,404	1,589,503
Selling & distribution expenses	3,633,906	5,527,567
Loss on sale of assets	1,107,466	6,975,442
Donation.....	7,500	3,500
Miscellaneous expenses #	17,406,439	20,259,256
Legal and professional fees.....	2,421,857	16,696,624
Provision for Doubtful Debts.....	-	1,679,518
Excise duty variation on opening and closing stock	(7,162)	27,672
Technology and know how fees	1,222,641	2,296,725
Total	46,465,263	92,666,246
# Miscellaneous expenses include payment to statutory auditors (excluding service tax)		
As auditors	600,000	600,000
For other services.....	200,000	400,000
For reimbursement of expenses.....	-	-
26 Earnings per share (EPS)		
I Profit attributable to equity shareholders for basic and diluted EPS.....	(106,694,734)	(139,103,243)
	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	(51.41)	(67.03)
Diluted.....	(51.41)	(67.03)

Notes to the Financial Statements

27. AMALGAMATION OF WHOLLY OWNED SUBSIDIARY COMPANY - DIRK POZZOCRETE (MP) PRIVATE LIMITED :

- (i) Scheme of amalgamation under section 391 read with section 394 of the Companies Act, 1956 for the amalgamation of Dirk Pozzocrete (MP) Pvt Ltd (referred to as 'Transferor Company') with Dirk India Pvt Ltd (referred to as 'Transferee Company' or 'Company') with effect from 1st April, 2013 being the appointed date, has been sanctioned by Hon'ble High Court of Judicature at Mumbai on 28th August, 2014. Accordingly the Scheme has been given effect to in these financial statements.

The Dirk Pozzocrete (MP) Pvt Ltd was engaged in the business of processing of Flyash

- (ii) The amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly the accounting treatment has been given as under:-
- a The assets and liabilities as at April 1, 2013 were incorporated in the financial statement of the Company at its book value.
 - b Equity shares of ₹ 1,00,000 Fully paid in Dirk Pozzocrete (MP) Pvt Ltd, held as Investment by the Company stands cancelled.
 - c The accounts of Dirk Pozzocrete (MP) Pvt. Ltd. for the year ended December 31, 2013 were finalised as a separate entity. The debit balance in the statement of Profit and Loss of Dirk Pozzocrete (MP) Pvt. Ltd. As at December 31, 2013 amounting to ₹ 4,81,29,154 after adjusting a sum of ₹ 29,91,582 being the interest paid by erstwhile Dirk Pozzocrete (MP) Pvt Ltd to Dirk India Pvt Ltd is added in Reserve and Surplus.
- (iii) Pursuant to the scheme of amalgamation, the bank accounts, licenses, immovable properties etc are in the process of being transferred in the name of the company.

In view of above amalgamation, the figures for the year ended 31st December 2014, are not strictly comparable to the previous year.

28 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 (Upto 31st March 2013)
III. Key Management Personnel :	
Mr. Georg Dirk	Chairman
Mr. Saji Pillai	Chief Executive Officer (From 05th September, 2013 to 15th April, 2014)
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) Private Limited, India	Chairman having significant influence.
ACC Limited, India	Fellow Subsidiary
Holcim Trading Pte Limited , Singapore	Fellow Subsidiary
Dirk Media Pvt Ltd	Chairman is Director
Counto Microfine Products Pvt Ltd	Group company

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 :

(Amount in ₹)

Description	Holding Company	Subsidiary	Fellow Subsidiaries / Group Company				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 Limited	ACC Limited	Counto Microfine Products Pvt Ltd	Holcim Trading Pte Limited	Mr. George Dirk	Mr. Saji Pillai	Mrs. Ivana Dirk	Mr. Ajit Pillai	Mr. Georg S Dirk P. Dirk Media	Dirk Media Pvt Ltd	Dirk Pozzocrete(I) Pvt Ltd
Sale of Goods	13,684,987 (56,352)	- (3,767,675)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods	1,956,103 (4,655,850)	- (3,189,947)	-	-	784,819	-	-	-	-	-	-	-	-
Providing services - Job work (Excludes P63)	42,465,125	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	182,242
Interest Received	-	- (6,974,456)	-	-	-	-	-	-	-	-	-	-	-
Technology & Know-How Fees	1,162,971 (2,296,725)	-	-	-	-	-	-	-	-	-	-	-	-
Salary/ Remuneration	-	-	-	-	-	-	726,737 (6,453,024)	244,152 (498,436)	726,737 (7,163,252)	273,440 (103,120)	-	-	-
Interest Paid / Provided	49,485,129 (26,545,968)	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	- (10,000)	-	-	-	-	-	-	-	-	-	175,066 (246,458)	50,438	612,000 (720,000)
Loan repaid during the period	9,375,000 (24,999,996)	-	-	-	-	-	-	-	-	-	-	-	-
Loan given during the period	-	- (22,113,460)	-	-	-	-	-	-	-	-	-	-	-
Loan taken during the period	- (110,738,908)	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken during the period	78,300,000 (171,100,000)	-	-	-	-	-	-	-	-	-	-	-	-
Loan /ICD taken outstanding at the end of the period	425,763,912 (356,838,912)	- (76,805,802)	-	-	-	-	-	-	-	-	-	-	-
Amount Receivable	20,342,960	- (4,242,348)	-	-	-	-	-	-	-	-	-	-	-
Amount Payable	38,634,677 (25,234,905)	-	51,000 (51,000)	-	561,139	-	-	-	10,000	3,456 (2,282)	-	-	73,369

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) Reimbursement of expenses is not considered above.
- 4) Previous period salary to Mr. Georg Dirk is net off the excess amount recoverable from him ₹ 60,33,470/- as per note no 40.

Notes to the Financial Statements (Contd.)

29 Disputed with Mahagenco

The Company's agreement with Maharashtra State Power Generation Company Limited (MAHAGENCO), for supply of Pulverized Fly Ash (PFA) is under dispute and supply of PFA stands discontinued. The Company is in the process of re-initiating arbitration process. Accordingly, the financial statements are prepared on a going concern basis.

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
30 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. Bank Guarantee given to Central Excise and Customs Department for Duty Free Imports (EPCG License) / Other issues	374,341	374,341
c. Guarantees given to bank of maharashtra for term loan availed by Dirk Pozzocrete (MP) Private Limited	-	11,105,732
	2014 ₹	2013 ₹

31 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	66,537,491	112,078,408
Outside india	49,759,511	112,417,905
Total	116,297,002	224,496,313

ii) Other operating revenue

Within india	58,690,011	165,717
Outside india	-	-
Total	58,690,011	165,717

iii) Other income

Within india	354,015	7,965,333
Outside india	-	-
Total	354,015	7,965,333

	As at 31.12.2014 ₹	As at 31.12.2013 ₹
c) All the Assets / Liabilities of the company, except the following are within India.		
Debtors / Advances to suppliers	-	3,572,120
Creditors / Payables / Advances from customers	1,929,285	184,563

32 Unhedged foreign currency exposure

		As at 31.12.2014		As at 31.12.2013		
		Foreign Currency	In ₹	Foreign Currency	In ₹	
1	Outstanding trade payables for expenses	In USD	23,789	1,503,941	-	-
2	Outstanding trade receivables	In USD	-	-	57,717	3,572,120
3	Advance from customers	In USD	6,728	425,344	2,982	184,563

Notes to the Financial Statements (Contd.)

33 Employee Defined Benefits

	2014 ₹	2013 ₹
a) Defined Contribution Plans -		
The Company has recognised expenses towards the defined contribution plans as under :		
Contribution to Provident Fund.....	1,944,764	959,579
Others	22,240	2,880

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 ₹	
	2014 Non-Funded Gratuity	2013 Non-Funded Gratuity
I) Expense recognised in the Statement of Profit & Loss Account		
1. Current Service Cost.....	880,447	1,107,311
2. Interest Cost	657,888	824,427
3. Employee Contributions	-	-
4. Expected Return on Plan Assets.....	-	-
5. Actuarial (Gains) / Losses	(514,547)	(3,498,053)
6. Past Service Cost	-	-
7. Settlement Cost.....	-	-
8. Losses / (gains) on acquisition / divesture	-	-
9. Total Expense	1,023,788	(1,566,315)
II) Net Asset / (Liability) recognised in the Balance Sheet		
1. Present Value of Defined Benefit Obligation.....	7,421,644	7,309,866
2. Fair Value of Plan Assets	-	-
3. Funded Status [Surplus / (Deficit)].....	-	-
4. Net Asset/ (Liability)	(7,421,644)	(7,309,866)
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).....	7,309,866	9,699,143
2. Current Service Cost.....	880,447	1,107,311
3. Interest Cost	657,888	824,427
4. Settlement Cost.....	-	-
5. Past Service Cost	-	-
6. Employee Contributions	-	-
7. Liabilities assumed on acquisition/(settled on divesture).....	148,074	-
8. Actuarial (Gains) / Losses	(514,547)	(3,498,053)
9. Benefits Payments	(1,060,084)	(822,962)
10. Present Value of Defined Benefit Obligation at the end of the year	7,421,644	7,309,866

Notes to the Financial Statements (Contd.)

	2014	2013		
M) Actuarial Assumptions:				
1. Discount Rate.....	9.00%	9.00%		
2. Expected rate of return on plan assets.....	NA	NA		
3. Mortality.....	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate		
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 :				
	2014	2013		
	₹	₹		
Gratuity	1,023,788	(1,566,315)		
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	As at	As at
	31.12.2014	31.12.2013	31.12.2012	31.12.2011
	₹	₹	₹	₹
Gratuity - Non Funded				
Defined benefit obligation	7,421,644	7,309,866	9,699,143	6,640,745
Plan assets	-	-	-	-
Surplus / (deficit)	-	-	-	-
Experience adjustments on plan assets	-	-	-	-
Experience adjustments on plan liabilities.....	(514,547)	(3,088,155)	(455,740)	(166,353)
	2014	2014	2013	2013
	₹	Percentage	₹	Percentage
34 Raw material / stores & spares consumption				
a) Raw material consumed				
(i) Imported.....	-	-	-	-
(ii) Indigenous	51,112,945	100.00	65,796,925	100.00
Total	51,112,945	100.00	65,796,925	100.00
b) Spares consumed				
(i) Imported.....	89,440	3.43	2,166,948	49.08
(ii) Indigenous	2,520,209	96.57	2,248,435	50.92
Total	2,609,649	100.00	4,415,383	100.00
	2014		2013	
	₹		₹	
35 CIF value of imports				
(i) Packing material			-	3,348,803
(ii) Spares			159,838	205,524

Notes to the Financial Statements (Contd.)

	2014	2013
	₹	₹
36 Expenditure in foreign currency (accrual basis)		
(i) Legal & professional fees	-	1,690,388
(ii) Travelling expenses	89,899	356,884
(iii) Other matters	1,739,879	17,173,401
37 Earnings in foreign exchange (accrual basis) :		
FOB value of exports	20,509,287	88,777,303
38 Capital work-in-progress :		
Capital work-in-progress includes expenditure during construction for project.....	-	-
39 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. 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 period end as required under the said Act, have not been furnished.		
40 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 w.e.f. 1st October 2011. During the previous period the company has received this approval for a lower amount in case of directors. The previous year figure shown in Salaries and wages is net off the excess amount recovered 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.		
41 Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current years presentation. Please also refer note 27.		

Signatures to notes 1 to 41

As per our report of even date

Anand Daga

Chartered Accountants

Proprietor

Membership No. 048684

Place : Nashik

Date : 14th January, 2015

For and on behalf of the Board

Vilas Deshmukh

Chairman

Sanjeev Churiwala

Director

Ambuja Cement

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