

## **NOTICE**

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the members of the Company shall be held on 30-09-2014 at 11.30 A.M. at the Registered Office of the Company at Shah Commercial Centre, Station Road, Bhuj to transact the following business and to pass with or without modification the following resolutions :-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014, together with the Auditors' & Directors' report thereon.
2. To appoint a Director in place of Mr. Kantilal Jagjivan Khimani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors M/s. Mayur Shah & Associates, Chartered Accountants, Ahmedabad, who retires at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment as Auditors and to fix their remuneration.

**For & on behalf of the Board of Director**

**Date: 29/05/2014**

**Place: Bhuj**

|  |  |   |
|--|--|---|
| <b>Sd/-</b><br><b>Prashant K. Khimani</b><br><b>Director</b><br><b>DIN: 01626040</b> | <b>Sd/-</b><br><b>Kantilal J. Khimani</b><br><b>Director</b><br><b>DIN: 00554969</b> | <b>Sd/-</b><br><b>Ketan K. Khimani</b><br><b>Director</b><br><b>DIN: 00555000</b> |
|--|--|---|

### **NOTES :-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXY FORM, DULY SIGNED, SHOULD BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY CHANGE IN ADDRESS, IF ANY, TO THE COMPANY.
3. THE MEMBERS ARE REQUESTED TO SEND THEIR QUERIES IN ADVANCE IF ANY, ON THE ACCOUNTS, AT LEAST SEVEN DAYS, BEFORE THE DATE OF ANNUAL GENERAL MEETING.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM 24<sup>TH</sup> SEPTEMBER, 2014 TO 30<sup>TH</sup> SEPTEMBER 2014.

## **DIRECTORS' REPORT**

To,  
The Members

Your Directors have the pleasure in presenting the Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2014.

### **1. OPERATION:-**

Your Directors, with regret inform you again that the company has not started its commercial operation because of financial crisis and, the cost over-run of the project. However the company shall overcome the situation and will control the reins of the company properly under control immediately.

As informed in last report, the board is still actively consulting for obtaining long term finance facilities in view of diversion of the project of the company, and the same is under negotiation.

### **2. ACCOUNTS**

As the company had no trading or service activities during the Accounting year ended on 31st March, 2014 and hence, no profit & Loss Account has been prepared for the above period and all the expenditure incurred has been shown as Project/Other expenses, to be capitalised appropriately at a later date.

### **3. DIVIDEND**

Since the company has not started commercial operation the possibility of dividend does not arise.

### **4. DEPOSITS**

During the year under review, the company has not accepted any deposits from the Public within the meaning of sec. 58A of The Companies Act, 1956 and Companies Deposits and Acceptance Rules, made thereof.

### **5. DIRECTORS:**

Kantilal Jagjivan Khimani retires by rotation and being eligible, offers himself for reappointment.

### **6. DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217(2AA)of the Companies Act,1956 your directors place on record a Responsibility statement stating that :

- I. In the preparation of the accounts, the applicable accounting standards have been followed;
- II. Accounting policies selected were applied consistently and reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of your company as at the end of March 31, 2014 and profit of the company for the same period;
- III. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts of the company have been prepared on a concern basis.

#### **7. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE:**

Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information for the same is not provided as the commercial operation has not began till the completion of the financial year.

#### **8. AUDITORS' REPORT:**

The notes referred to by the Auditors in their report are self explanatory and hence do not require any further explanations.

#### **9. PERSONNEL:**

None of the employees draws remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975.

#### **10. PRE OPERATIVE EXPENDITURE:**

Since the company has yet to commence its commercial operation and all expenditure have been carried forward and capitalized by the company which will be written off in the piecemeal way as per the accounting standards.

#### **11. AUDITORS:**

M/s Mayur Shah & Associates, Auditors, Ahmedabad, the present Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from them intimating the Company that if appointed, their appointment would be within the limits specified in Section 224 (1-B) of the Companies Act, 1956. Your Directors propose to reappoint them as Auditors and fix their remuneration.

## **12. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the continued support, co-operation and assistance provided to the Company by Bankers, Auditors and Employees of the Company and other Government Departments and look forward to the same cordial relationship in the coming years.

**For & on behalf of the Board of Director**

**Date: 29/05/2014**

**Place: Bhuj**

|                            |                            |                         |
|----------------------------|----------------------------|-------------------------|
| <b>Sd/-</b>                | <b>Sd/-</b>                | <b>Sd/-</b>             |
| <b>Prashant K. Khimani</b> | <b>Kantilal J. Khimani</b> | <b>Ketan K. Khimani</b> |
| <b>Director</b>            | <b>Director</b>            | <b>Director</b>         |
| <b>DIN: 01626040</b>       | <b>DIN: 00554969</b>       | <b>DIN: 00555000</b>    |

**Report on Corporate Governance**  
(Pursuant to Clause 49 of the Listing Agreement)

## **1. COMPANY'S PHILOSOPHY**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

## **2. BOARD OF DIRECTORS**

### **2.1 Composition of Board of Directors as on date of Report:**

The Board of Directors as at 31<sup>st</sup> March, 2014 comprises of three Directors, all of them are executive director. The Chairperson is an executive director.

| <b>No.</b> | <b>Name of Director</b>   | <b>Category</b>                  |
|------------|---------------------------|----------------------------------|
| 1          | Kantilal Jagjivan Khimani | Chairperson & Executive Director |
| 2          | Ketan Kantilal Khimani    | Executive Director               |
| 3          | Prashant Kantilal Khimani | Executive Director               |

### **2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

### **2.3 Board Meetings and Attendance Record of Directors:**

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

**During the year under review, the Board met 4 times on the following dates:**

30/05/2013    12/07/2013    25/10/2013    25/01/2014.

**Extra Ordinary General Meeting:**

No Extra Ordinary General Meeting held during the year under review.

**Postal Ballot Resolution:**

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

| No. | Name of Director          | Category of Directorship | No. of other Directorship | No. of Board Meeting attended |
|-----|---------------------------|--------------------------|---------------------------|-------------------------------|
| 1   | Kantilal Jagjivan Khimani | Chairperson              | -                         | 4                             |
| 2   | Ketan Kantilal Khimani    | Director                 | -                         | 4                             |
| 3   | Ketan Kantilal Khimani    | Director                 | -                         | 4                             |

**2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Kantilal Jagjivan Khimani retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

**Profile of Mr. Kantilal Jagjivan Khimani Director being appointed u/s 255 & 256 of the Companies Act, 1956**

|                                     |                               |
|-------------------------------------|-------------------------------|
| Name                                | Mr. Kantilal Jagjivan Khimani |
| Date of Birth                       | 17/01/1935                    |
| Date of Appointment                 | 14/10/1994                    |
| No. of shares held in the company   | 40000                         |
| No. of warrants held in the company | Nil                           |
| Directorship in other company       | Nil                           |

**2.5 Details of Directors who are as Chairperson and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2014 and the same is reproduced herein below :

| Sr. No. | Name of Director          | No of Directorship In other Public Companies | No. of Committees positions held as Chairperson on other public Companies | No. of Committees positions held as member in other public Company |
|---------|---------------------------|--|---|--|
| 1.      | Kantilal Jagjivan Khimani | --   | --  | --   |
| 2.      | Ketan Kantilal Khimani    | --   | --  | --   |
| 3.      | Ketan Kantilal Khimani    | --   | --  | --   |

### 3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 2013 as below.

a. Composition:

As on 31.03.2014, the Audit Committee comprised of three Directors namely:

| No. | Name of Director          | Category |
|-----|---------------------------|----------|
| 1   | Kantilal Jagjivan Khimani | Chairman |
| 2   | Ketan Kantilal Khimani    | Member   |
| 3   | Ketan Kantilal Khimani    | Member   |

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

#### **Brief description of terms of reference:**

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement.
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for record. The Board of Directors, regularly apprised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2013-14. The dates on which the said meetings were held as follows:

30/05/2013    12/07/2013    25/10/2013    25/01/2014

### **3.2 Remuneration Committee:**

The remuneration committee of the Company has not met during the year under review because there was no proposal for the payment or increase / decrease of the remuneration of any managerial staff or director of the Company.

### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

| No. | Name of Director          | Category    |
|-----|---------------------------|-------------|
| 1   | Kantilal Jagjivan Khimani | Chairperson |
| 2   | Ketan Kantilal Khimani    | Member      |
| 3   | Ketan Kantilal Khimani    | Member      |

Mr. Kantilal Jagjivan Khimani Chairperson and Executive Director of the company was heading the committee as well as he was designated as the Compliance officer of the Company.

The Committee continued to look into the investors/shareholders complaints. The Committee meets once in a month to look after share transfers and other complaints. The Company is yet to appoint some share transfer agent for looking after the work of physical and dematerialized shares and shall do it shortly.

| Name             | Executive / Non-Executive     | Salary | Bonus | Sitting Fees | Contribution to PF | Perquisites | Total |
|------------------|-------------------------------|--------|-------|--------------|--------------------|-------------|-------|
| Kantilal Khimani | Chairman & Executive Director | -      | -     | -            | -                  | -           | -     |
| Ketan Khimani    | Executive Director            | -      | -     | -            | -                  | -           | -     |
| Ketan Khimani    | Non Executive                 | -      | -     | -            | -                  | -           | -     |

### 4. GENERAL BOARD MEETING:

(a) Location and time where last three AGMs were held:

| Year of AGM | Date of the AGM | Time      | Place of AGM Held                                  |
|-------------|-----------------|-----------|--|
| 2013        | 28/09/2013      | 11.30 A.M | Shah Commercial Centre, Station Road, Bhuj, 370001 |
| 2012        | 28/09/2012      | 11.30 A.M | Shah Commercial Centre, Station Road, Bhuj, 370001 |
| 2011        | 30/09/2011      | 11.30 A.M | Shah Commercial Centre, Station Road, Bhuj, 370001 |

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

**2013** No special resolution passed in the year under review

**2012** No special resolution passed in the year under review.

**2011** No special resolution passed in the year under review.

## **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR**

No Extra Ordinary General Meeting held during the financial year under review.

### **5. DISCLOSURES:**

a. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non-Compliance of any matter related to the capital market.

### **6. CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee –

- Significant changes in internal control over the financial reporting during the year 2013-14
- Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a

significant role in the Company's internal control system over the financial reporting.

## **7. MEANS OF COMMUNICATIONS:**

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc. are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

## **8. GENERAL SHAREHOLDER INFORMATION:**

- **Annual General Meeting: Date, Time and venue:**

30<sup>th</sup> September, 2014 at 11.30 a.m. at the Registered Office of the Company.

- **Financial Year:**

1<sup>st</sup> April 2013 to 31<sup>st</sup> March, 2014

- **Financial Calendar:**

1<sup>st</sup> quarterly results – last week of May, 2013

2<sup>nd</sup> quarterly results – last week of August, 2013

3<sup>rd</sup> quarter results – last week of November, 2013

4<sup>th</sup> quarter results – last week of February, 2014

- **Date of Book Closure:**

24<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive).

- **Dividend Payment Date:** N.A.

- **Listing on Stock Exchanges:**

Ahmedabad Stock Exchange Ltd  
Bombay Stock Exchange Limited (delisted)

- **Listing Fee:** The Company has not paid listing fee for the year 2013-14.

- **Scrip Code:** N.A.

- **Demat ISIN number:** Share yet not De-materialized

- **Registered and Transfer Agent:**

The Company has an in-house share transfer department and has not appointed any Registrar and Transfer Agent.

- **Share Transfer System:**

Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

- **Distribution of Shareholding as on Dated 31.03.2014**

| SHARE HOLDING OF NOMINAL VALUE OF |        | SHARE HOLDERS |               | SHARE AMOUNT     |               |
|-----------------------------------|--------|---------------|---------------|------------------|---------------|
| Rs.                               | Rs     | Number        | % to Total    | In Rs.           | % to Total    |
| (1)                               | (2)    | (3)           | (4)           | (5)              | (6)           |
| Upto                              | 5000   | 142           | 20.67         | 695000           | 0.69          |
| 5001 -                            | 10000  | 320           | 46.58         | 2973000          | 2.97          |
| 10001 -                           | 20000  | 41            | 5.97          | 645000           | 0.64          |
| 20001 -                           | 30000  | 37            | 5.39          | 926000           | 0.92          |
| 30001 -                           | 40000  | 34            | 4.95          | 1212000          | 1.21          |
| 40001 -                           | 50000  | 11            | 1.60          | 540000           | 0.54          |
| 50001 -                           | 100000 | 17            | 2.47          | 1404750          | 1.40          |
| 100001 and above                  |        | 85            | 12.37         | 91765250         | 91.62         |
| <b>Total</b>                      |        | <b>687</b>    | <b>100.00</b> | <b>100161000</b> | <b>100.00</b> |

- **Shareholding pattern as on 31.03.2014**

| Category  | No of Shares held | % of Shareholding |
|---|-------------------|-------------------|
| a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies | 1416600           | 14.14             |
| b. Mutual Fund/Trust  | 0                 | 0.00              |
| c. Financial Institution/Banks  | 0                 | 0.00              |
| d. Bodies Corporate   | 2900              | 0.03              |
| e. Indian public  | 7073600           | 70.62             |
| f. other (HUF)  | 123000            | 1.23              |
| g.NRI   | 1400000           | 13.98             |
| <b>TOTAL</b>  | <b>10016100</b>   | <b>100.00</b>     |

**Dematerialization of shares:** As on 31/03/2014 Demat shares accounted for Nil (Equity Shares) of total equity.

**Outstanding GDR / ADR / Warrants:** Not Applicable

- **Registered Office and Address for communication:**

**Hics Cements Limited**  
**Shah Commercial Centre, Station Road, Bhuj – 370001 Gujarat**

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For & on behalf of the Board of Director**

**Date: 29/05/2014**

**Place: Bhuj**

Sd/-  
**Prashant K. Khimani**  
Director  
DIN: 01626040

Sd/-  
**Kantilal J. Khimani**  
Director  
DIN: 00554969

Sd/-  
**Ketan K. Khimani**  
Director  
DIN: 00555000

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1) INDUSTRY STRUCTURE AND DEVELOPMENTS**

The all India cement production during the period April 2013 to March 2014 registered a cumulative growth as against the corresponding period of last year. The cumulative growth for the eight core industries (coal, crude oil, natural gas, refinery products, fertilizers, steel cement & electricity) remained same as previous year. With the entry of new players in the already fragmented markets, high price volatility and variations in prices is experienced in different regions and different periods of time..

### **2) OPPORTUNITIES AND THREATS**

#### **Opportunities**

- Increase in income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

#### **Threats**

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

### **3) SEGMENT-WISE PERFORMANCE**

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in Cement industry.

### **4) RECENT TREND AND FUTURE OUTLOOK:**

Notwithstanding global uncertainties, regulatory tightening and cyclical economic downtrend, financial services industry in India on the whole, will continue to march ahead at a healthy pace in the long term. We expect interest rates to remain stable or move southward and liquidity to ease in the coming quarters. This should augur well for demand growth in financing and lending business. However your company is making all possible efforts will improve its position.

## **5) RISK AND CONCERNS**

Like any other industry, this industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is proposed to export raw materials/ finished product, the Company has risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

## **6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate system of Internal Controls to ensure that all the assets are safeguarded, protected as against loss from unauthorised use or disposition and that transactions are authorised , recorded and reported correctly. The Company conducted the audit of various departments through an independent internal auditor. The views of the statutory auditors are also considered to ascertain the adequacy of the internal control system.

## **7) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2012-13 is described in the Directors' Report under the head 'Operations of the Company'.

## **8) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT**

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

## **9) CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**For & on behalf of the Board of Director**

**Date: 29/05/2014**

**Place: Bhuj**

**Sd/-  
Prashant K. Khimani  
Director  
DIN: 01626040**

**Sd/-  
Kantilal J. Khimani  
Director  
DIN: 00554969**

**Sd/-  
Ketan K. Khimani  
Director  
DIN: 00555000**

## **Independent Auditors' Report**

**TO THE MEMBERS OF HICS CEMENTS IMITED.**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **HICS CEMENTS IMITED.** (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Preliminary and Pre-operative Expenses Account 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**

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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.

### **AUDITORS' 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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. 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 aforesaid 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 March 31, 2014;
- (b) In the case of the Statement of Preliminary and Pre-operative Expenses Account of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Preliminary and Pre-operative Expenses Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Preliminary and Pre-operative Expenses Account, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**FOR, MAYUR SHAH & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**DATE: 29/05/2014**  
**PLACE: Ahmedabad**

**(MAYURM.SHAH)**  
**(M.NO.36827)**  
**(PARTNER)**  
**FRN : 106125W**

**MAYUR SHAH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**Annexure to Auditors' Report**

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of M/s. **HICS CEMENTS IMITED.** on the accounts for the year ended 31<sup>st</sup> March, 2014.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management during the year. There is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year, the company has not disposed off substantial part of fixed assets.
2. (a) The inventory has been physically verified at reasonable intervals by the management.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has not granted/taken any loans to any companies or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and hence provision of sub clause (b), (c) and (d) are not applicable to the company.  
(b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.  
(c) The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.  
(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.

5. (a) In our opinion and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.  
  
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and has been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under, without making compliances thereof during the financial year covered by our audit.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company. Hence, the provision of this clause is not applicable to the company.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it.  
  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, sales tax, customs duty, wealth-tax, excise duty and cess, which have not been deposited on account of any dispute.
10. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our examination and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a bank.
12. Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is trading in shares, securities, debentures and other investments. According, the provisions of this clause of the Companies (Auditors Report) order, 2003 is applicable to the company.

15. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name.
16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investments.
18. We are informed that the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued debentures and hence requirement of reporting regarding creation of security in respect of debentures issued does not arise.
20. The company has not raised any money by public issues during the period covered by our audit.
21. Based upon the audit procedures performed and as per information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**FOR, MAYUR SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**DATE : 29/05/2014  
PLACE : Ahmedabad**

**(MAYUR M.SHAH)  
(M.NO.36827)  
(PARTNER  
FRN : 106125W**

**ANNEXURE- `A'**

LIST OF DEPOSITORS' COVERED IN THE REGISTER MAINTAINED U/S.301 OF THE ACT.

| SR. NO. | NAME OF THE DEPOSITORS | AMOUNT OUTSTANDING<br>RS. |
|---------|------------------------|---------------------------|
| 1.      | K.J. Khimani           | 49,72,270                 |
| 2.      | Prashant K. Khimani    | 1,47,242                  |
| 3.      | Ketan K. Khimani       | 8,16,856                  |
| 4.      | K.J. Khimani - HUF     | 11,06,101                 |

**HICS CEMENTS LIMITED.  
BHUJ**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

| PARTICULARS   | Note No. | As at 31/03/14 |                    | As at 31/03/13 |                    |
|---|----------|----------------|--------------------|----------------|--------------------|
|   |          | Rs.            | Rs.                | Rs.            | Rs.                |
| <b>I. <u>EQUITY AND LIABILITIES</u></b>   |          |                |                    |                |                    |
| <b>1. Shareholders' funds</b>   |          |                |                    |                |                    |
| (a) Share Capital   | 1        | 99,994,500     |                    | 99,994,500     |                    |
| (b) Reserves and Surplus  | 2        | -              |                    | -              |                    |
| (c) Money received against share warrants   |          | -              |                    | -              |                    |
|   |          |                | <b>99,994,500</b>  |                | 99,994,500         |
| <b>2. Share application money pending allotment</b><br>(To the extent not refundable) | 3        |                |                    |                |                    |
| <b>3. Non-current liabilities</b>   |          |                |                    |                |                    |
| (a) Long-term borrowings  | 4        | 7,042,469      |                    | 7,042,469      |                    |
| (b) Deferred Tax liabilities (Net)  | 5        |                |                    |                |                    |
| (c) Other Long term liabilities   | 6        | 277,208        |                    | 267,193        |                    |
| (d) Long-term Provisions  | 7        | -              |                    |                |                    |
|   |          |                | <b>7,319,677</b>   |                | 7,309,662          |
| <b>4. Current Liabilities</b>   |          |                |                    |                |                    |
| (a) Short term borrowings   | 8        | -              |                    |                |                    |
| (b) Trade payables  | 9        |                |                    |                |                    |
| (c) Other current liabilities   | 10       | -              |                    |                |                    |
| (d) Short term provisions   | 11       | -              |                    |                |                    |
|   |          |                | -                  |                | -                  |
| <b>TOTAL</b>  |          |                | <b>107,314,177</b> |                | <b>107,304,162</b> |
| <b>II <u>ASSETS</u></b>   |          |                |                    |                |                    |
| <b>1. Non-current assets</b>  |          |                |                    |                |                    |
| (a) Fixed assets  | 12       | -              |                    |                |                    |
| (i) Tangible assets   |          |                |                    |                |                    |
| (ii) Intangible assets  |          |                |                    |                |                    |
| (iii) Capital work-in-progress  |          | -              |                    | -              |                    |
| (iv) Intangible assets under development  |          |                |                    |                |                    |
| (b) Non-current investments   | 13A      | -              |                    |                |                    |
| (c) Deferred tax assets (net)   |          |                |                    |                |                    |
| (d) Long-term loans and advances  | 14       | -              |                    |                |                    |
| (e) Other non-current assets  | 15       | 32,676,887     |                    | 32,666,672     |                    |
|   |          |                | <b>32,676,887</b>  |                | 32,666,672         |
| <b>2. Current assets</b>  |          |                |                    |                |                    |
| (a) Current investments   | 13B      | -              |                    |                |                    |
| (b) Inventories   | 16       | -              |                    |                |                    |
| (c) Trade receivables   | 17       | -              |                    |                |                    |
| (d) Cash and Bank Balances  | 18       | 74,637,290     |                    | 74,637,490     |                    |
| (e) Short-term loans and advances   | 19       | -              |                    |                |                    |
| (f) Other current assets  | 20       | -              |                    | -              |                    |
|   |          |                | <b>74,637,290</b>  |                | 74,637,490         |
| <b>TOTAL</b>  |          |                | <b>107,314,177</b> |                | <b>107,304,162</b> |
| Significant accounting policies and notes to accounts                                 | 27       |                |                    |                |                    |

**FOR MAYUR SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**FOR, HICS CEMENTS LIMITED**

**Sd/-  
(MAYUR M.SHAH)  
(M.NO.36827)  
(PARTNER)  
FRN: 106125W**

**Sd/-  
Prashant Khimani  
Director**

**Sd/-  
Kantilal Khiman  
Director**

**Date: 29/05/2014  
Place: Ahmedabad**

**Date: 29/05/2014  
Place: Bhuj**

**HICS CEMENTS LIMITED.**  
**BHUJ**  
**PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED ON 31-03-2014**

|      | PARTICULARS  | Note No. | As at 31/03/14 |     | As at 31/03/13 |     |
|------|--|----------|----------------|-----|----------------|-----|
|      |  |          | Rs.            | Rs. | Rs.            | Rs. |
| I    | <b>Revenue from operations:</b>  | 21       |                |     |                |     |
|      | Sale of Products   |          | -              |     | -              |     |
|      | Sale of Services   |          | -              |     | -              |     |
|      | Other Operating Revenues   |          | -              |     | -              |     |
|      | Less: Excise Duty  |          | -              | -   | -              | -   |
| II   | <b>Other Income</b>  | 22       |                | -   |                | -   |
| III  | <b>Total Revenue (I + II)</b>  |          |                | -   |                | -   |
| IV   | <b>Expenses</b>  |          |                |     |                |     |
|      | Cost of Materials Consumed   | 23       | -              |     |                |     |
|      | Purchases of Stock in Trade  |          |                |     |                |     |
|      | Changes in inventories of finished goods, work in progress and Stock-in- trade |          |                |     |                |     |
|      | Employee benefits expense  | 24       | -              |     |                |     |
|      | Finance Costs  | 25       | -              |     |                |     |
|      | Depreciation and amortization expense  | 12       | -              |     |                |     |
|      | Other expense  | 26       | -              |     |                |     |
|      | <b>Total Expense</b>   |          |                | -   |                | -   |
| V    | <b>Profit before exceptional and extraordinary items and tax (III-IV)</b>      |          |                | -   |                | -   |
| VI   | <b>Exceptional Items</b>   |          |                |     |                |     |
| VII. | <b>Profit before extraordinary items and tax (V-VI)</b>                        |          |                | -   |                | -   |
| VIII | <b>Extraordinary items</b>   |          |                |     |                |     |
| IX   | <b>Profit before tax (VII-VIII)</b>  |          |                | -   |                | -   |
| X    | <b>Tax expense:</b>  |          |                |     |                |     |
|      | (1) Current tax  |          |                |     |                |     |
|      | (2) Deferred tax   |          |                |     |                |     |
|      |  |          |                | -   |                | -   |
| XI   | <b>Profit/(Loss) for the period from continuing operations (IX - X)</b>        |          |                | -   |                | -   |
| XII  | <b>Profit/(Loss) for the period from discontinuing operations</b>              |          |                |     |                |     |
| XIII | <b>Tax expense of discontinuing operations</b>                                 |          |                |     |                |     |
| XIV  | <b>Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>      |          |                | -   |                | -   |
| XV   | <b>Profit/(Loss) for the period (XI + XIV)</b>                                 |          |                | -   |                | -   |
| XVI  | <b>Earnings per equity share:</b>  |          |                |     |                |     |
|      | (1) Basic  |          |                |     |                |     |
|      | (2) Diluted  |          |                |     |                |     |
|      | See accompanying notes to the financial statements                             | 27       |                |     |                |     |

FOR MAYUR SHAH & ASSOCIATES  
 CHARTERED ACCOUNTANTS

FOR, HICS CEMENTS LIMITED

Sd/-  
 (MAYUR M.SHAH)  
 (M.NO.36827)  
 (PARTNER)  
 FRN: 106125W

Sd/-  
 Prashant Khimani  
 Director

Sd/-  
 Kantilal Khima  
 Director

Date: 29/05/2014  
 Place: Ahmedabad

Date: 29/05/2014  
 Place: Bhuj

# **HICS CEMENTS LIMITED.**

## **Cash Flow Statement for the year ended on 31/03/2014**

| <b>Particulars</b>                                     | <b>Amount Rs.</b> | <b>Amount Rs.</b> |
|--|-------------------|-------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             |                   |                   |
| <b>Net Profit as per P&amp;L a/c</b>                   |                   | <b>0.00</b>       |
| Adjustments for:                                       |                   |                   |
| Depreciation   | 0.00              |                   |
| Writtern off   | 0.00              |                   |
| (Profit)/loss on sale of Assets                        | 0.00              |                   |
| Transfer to General Reserve                            | 0.00              |                   |
| Interest Income  | 0.00              |                   |
| <b>Operating Profit before Working Capital Changes</b> |                   | <b>0.00</b>       |
| <b>Adjustments for:</b>                                |                   |                   |
| Decrease/(Increase) in Current Asset                   | 0.00              |                   |
| Decrease/(Increase) in Non-Current Assets              | (10,215.00)       |                   |
| Increase/(Decrease) in Current Liability               | 0.00              |                   |
| Increase/(Decrease) in Non-Current Liability           | 10,015.00         |                   |
|  |                   | (200.00)          |
| <b>Cash generated from operations</b>                  |                   | <b>(200.00)</b>   |
| Income Tax paid  |                   | <b>0</b>          |
| <b>Net Cash flow from Operating activities</b>         |                   | <b>(200)</b>      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>             |                   |                   |
| Purchase of Fixed Assets                               | 0.00              |                   |
| Capital Advance received back                          | 0.00              |                   |
| Issue of Share Capital                                 | 0.00              |                   |
| <b>Net Cash used in Investing activities</b>           |                   | <b>0</b>          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |                   |                   |
| Loans Taken During The year                            | 0.00              |                   |
| <b>Net Cash used in financing activities</b>           |                   | <b>0</b>          |
| Net increase/(decrease) in cash & Cash Equivalents     |                   | (200)             |
| Cash and Cash equivalents as at 01.04.13               |                   | 74,637,490        |
| Cash and Cash equivalents as at 31.03.14               |                   | 74,637,290        |

**As per our report of even date attached  
For, MAYUR SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-  
(Mayur M. Shah)  
(Mem.No.36827)  
Partner  
FRN : 106125W  
Date: 29/05/2014  
Place : Ahmedabad**

**For and on behalf of the board  
For, HICS CEMENTS LIMITED**

**Sd/- Sd/-  
Prashant Khimani Kantilal Khimani  
Director Director**

**Date: 29/05/2014  
Place : Bhuj**

**HICS CEMENTS LIMITED - BHUJ**

**NOTES FORMING PART OF ACCOUNTS**

| Particulars  | On 31-03-2014 |                   | On 31-03-2013 |                   |
|--|---------------|-------------------|---------------|-------------------|
|  | Rupees        | Rupees            | Rupees        | Rupees            |
| <b>NOTE '1'</b>  |               |                   |               |                   |
| <b>SHARE CAPITAL</b>   |               |                   |               |                   |
| <b>-Authorised</b>   |               |                   |               |                   |
| 15000000 Equity Shares of Rs.10/- each   | 15,00,00,000  | 15,00,00,000      | 15,00,00,000  | 15,00,00,000      |
| [Previous Year : 15000000 Equity Shares of Rs. 9/- each]   |               |                   |               |                   |
| <b>-Issued, Subscribed and Paid up</b>   |               |                   |               |                   |
| *10016100 Shares of Rs.10/- each fully paid  |               |                   |               |                   |
| [Previous Year : 10016100 Equity Shares of Rs.10/- each]   | 100,161,000   |                   | 100,161,000   |                   |
| * [ NILEquity Shares were allotted( <b>preceeding 5 years</b> ) as fully paid up<br>Bonus Shares by way capitalisation of Security Premium Account ] |               |                   |               |                   |
| Less : Call in Arrear  | 166,500       |                   | 166,500       |                   |
| <b>TOTAL</b>   |               | <u>99,994,500</u> |               | <u>99,994,500</u> |
| <b>- Reconciliation of Shares:</b>   |               |                   |               |                   |
|  | <b>Nos</b>    | <b>Amt(Rs)</b>    | <b>Nos</b>    | <b>Amt(Rs)</b>    |
| Opening Share Capital  | 10,016,100    | 100,161,000       | 10,016,100    | 100,161,000       |
| Add: Shares issued During the year   | -             | -                 | -             | -                 |
| Add: Rights/Bonus Shares Issued  | -             | -                 | -             | -                 |
| Total  | 10,016,100    | 100,161,000       | 10,016,100    | 100,161,000       |
| Less: Buy back of Shares   | -             | -                 | -             | -                 |
| Less Reduction in Capital  | -             | -                 | -             | -                 |
| Less : Call in Arrear  | 16,650        | 166,500           | 16,650        | 166,500           |
| Closing Share Capital  | 9,999,450     | 99,994,500        | 9,999,450     | 99,994,500        |
| <b>-List of Share holders having 5% or more Shares (In Nos)</b>  |               |                   |               |                   |
| <b>Name Of Shareholders</b>  | <b>In Nos</b> | <b>In %</b>       | <b>In Nos</b> | <b>In %</b>       |

| Particulars                                 | On 31-03-2014 |              | On 31-03-2013 |              |
|---|---------------|--------------|---------------|--------------|
|   | Rupees        | Rupees       | Rupees        | Rupees       |
| <b>NOTE '2'</b>                             |               |              |               |              |
| <b>RESERVES AND SURPLUS</b>                 |               |              |               |              |
| <b>General Reserve</b>                      |               |              |               |              |
| Opening Balance                             |               |              |               |              |
| Add : Transfer from Profit and Loss Account |               |              |               |              |
| Less : Appropriations                       |               |              |               |              |
| Closing Balance                             |               |              |               |              |
| <b>Profit and Loss Account</b>              |               |              |               |              |
| Opening Balance                             |               |              |               |              |
| Add: Profit During The Year                 |               |              |               |              |
| Less: Proposed Dividend (Incl .Tax)         |               |              |               |              |
| (Disclose Amt of Dividend Per Share)        |               |              |               |              |
| Transfer to Reserves                        |               |              |               |              |
| Bonus Shares                                |               |              |               |              |
| Closing Balance                             |               |              |               |              |
| <b>TOTAL</b>                                |               | <u>_____</u> |               | <u>_____</u> |

| Particulars  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `3`</b>  |               |        |               |        |
| <b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>   |               |        |               |        |
| Share Application Money To the extent Not Refundable<br>( Disclose Terms and Condition ) |               |        |               |        |
| <b>TOTAL</b>   |               |        |               |        |

| Particulars                          | On 31-03-2014 |         | On 31-03-2013 |         |
|--------------------------------------|---------------|---------|---------------|---------|
|                                      | Rupees        | Rupees  | Rupees        | Rupees  |
| <b>NOTE `4`</b>                      |               |         |               |         |
| <b>LONG TERM BORROWINGS</b>          |               |         |               |         |
| -Secured                             |               |         |               |         |
| Term Loans                           |               |         |               |         |
| -From Bank                           |               |         |               |         |
| -From Others                         |               |         |               |         |
| Loans & Advance from Related Parties |               |         |               |         |
| Loans and Advances from Others       |               |         |               |         |
| - Unsecured                          |               |         |               |         |
| Term Loans                           |               |         |               |         |
| -From Bank                           |               |         |               |         |
| -From Others                         |               | 7042469 |               | 7042469 |
| Deposits                             |               |         |               |         |
| Deffered Payment of Liabilities      |               |         |               |         |
| Loans & Advance from Related Parties |               |         |               |         |
| Loans and Advances from Others       |               |         |               |         |
| <b>TOTAL</b>                         |               | 7042469 |               | 7042469 |

| Particulars                    | On 31-03-2014 |        | On 31-03-2013 |        |
|--------------------------------|---------------|--------|---------------|--------|
|                                | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `5`</b>                |               |        |               |        |
| <b>DEFERRED TAX LIABILITY</b>  |               |        |               |        |
| Deferred Tax Liabilities       |               |        |               |        |
| Deferred Tax Assets            |               |        |               |        |
| Deferred Tax Liabilities (Net) |               |        |               |        |
| <b>TOTAL</b>                   |               |        |               |        |

| Particulars                        | On 31-03-2014 |        | On 31-03-2013 |        |
|------------------------------------|---------------|--------|---------------|--------|
|                                    | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `6`</b>                    |               |        |               |        |
| <b>OTHER LONG TERM LIABILITIES</b> |               |        |               |        |
| Trade Payables                     |               | 277208 |               | 267193 |
| Other Long Term Liability          |               |        |               |        |
| <b>TOTAL</b>                       |               | 277208 |               | 267193 |

| Particulars                     | On 31-03-2014 |        | On 31-03-2013 |        |
|---------------------------------|---------------|--------|---------------|--------|
|                                 | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `7`</b>                 |               |        |               |        |
| <b>LONG TERM PROVISIONS</b>     |               |        |               |        |
| Provision For Employee Benefits |               |        |               |        |
| Others                          |               |        |               |        |
| <b>TOTAL</b>                    |               |        |               |        |

| Particulars                             | On 31-03-2014 |        | On 31-03-2013 |        |
|---|---------------|--------|---------------|--------|
|   | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '8'</b>                         |               |        |               |        |
| <b>SHORT TERM BORROWINGS</b>            |               |        |               |        |
| <b>-Secured</b>                         |               |        |               |        |
| Loans repayable on demand               |               |        |               |        |
| <i>From Banks</i>                       |               |        |               |        |
| <i>From Others</i>                      |               |        |               |        |
| Loans and advances from related parties |               |        |               |        |
| Deposits                                |               |        |               |        |
| Other loan and advances                 |               |        |               |        |
| <b>-Unsecured</b>                       |               |        |               |        |
| Loans repayable on demand               |               |        |               |        |
| From Banks                              |               |        |               |        |
| From Others                             |               |        |               |        |
| Loans and advances from related parties |               |        |               |        |
| Deposits                                |               |        |               |        |
| Other loan and advances                 |               |        |               |        |
| <b>TOTAL</b>                            |               | _____  | _____         | _____  |
|   |               | =====  | =====         | =====  |

| Particulars                            | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '9'</b>                        |               |        |               |        |
| <b>TRADE PAYABLES</b>                  |               |        |               |        |
| <b>Trade Payables</b>                  |               |        |               |        |
| For Goods                              |               |        |               |        |
| For Capital Goods and Capital Expenses |               |        |               |        |
| For Expenses                           |               |        |               |        |
| <b>Others</b>                          |               |        |               |        |
| For Statutory Dues                     |               |        |               |        |
| For Advances to Customers              |               |        |               |        |
| <b>TOTAL</b>                           |               | _____  | _____         | _____  |
|  |               | =====  | =====         | =====  |

| Particulars  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '10'</b>   |               |        |               |        |
| <b>OTHER CURRENT LIABILITIES</b>   |               |        |               |        |
| Current maturities of long term debt   |               |        |               |        |
| Current maturities of finance lease obligation                                   |               |        |               |        |
| Unpaid dividends   |               |        |               |        |
| Unpaid matured Deposits and Interest accrued thereon                             |               |        |               |        |
| Interest Accrued and Due on Borrowings   |               |        |               |        |
| Interest Accrued but not Due on Borrowings                                       |               |        |               |        |
| Income received in Advance   |               |        |               |        |
| Refundable Application Money received for allotment and Interest accrued thereon |               |        |               |        |
| Other Payables ( Specify Nature)   |               |        |               |        |
| <b>TOTAL</b>   |               | _____  | _____         | _____  |
|  |               | =====  | =====         | =====  |

| Particulars                  | On 31-03-2014 |        | On 31-03-2013 |        |
|------------------------------|---------------|--------|---------------|--------|
|                              | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '11'</b>             |               |        |               |        |
| <b>SHORT TERM PROVISIONS</b> |               |        |               |        |
| Other Provisions:            |               |        |               |        |
| Provision for Taxation       |               |        |               |        |
| Proposed Dividend            |               |        |               |        |
| Corporate Dividend Tax       |               |        |               |        |
| <b>TOTAL</b>                 |               | _____  | _____         | _____  |
|                              |               | =====  | =====         | =====  |

| Particulars                                    |                     |  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------------|--|---------------|--------|---------------|--------|
|  |                     |  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '13A'</b>                              |                     |  |               |        |               |        |
| <b>NON-CURRENT INVESTMENTS</b>                 |                     |  |               |        |               |        |
| <i>(All Quoted unless otherwise Specified)</i> |                     |  |               |        |               |        |
| Number   | Face Value Per Unit | Trade Investment (Long term) in Mutual Funds         |               |        |               |        |
| Number   | Face Value Per Unit | Non - Trade Investment in                            |               |        |               |        |
| <b>Total Non- Current Investment</b>           |                     |  |               |        |               |        |
| <b>NOTE '13B'</b>                              |                     |  |               |        |               |        |
| <b>CURRENT INVESTMENT</b>                      |                     |  |               |        |               |        |
| Number   | Face Value Per Unit | Trade Investment (Long term) in Subsidiary Companies |               |        |               |        |
| Number   | Face Value Per Unit | Non - Trade Investment in                            |               |        |               |        |
| <b>Total Non- Current Investment</b>           |                     |  |               |        |               |        |
| Aggregate NAV of Current Investment            |                     |  |               |        |               |        |
| Aggregate amount of Quoted Investment          |                     |  |               |        |               |        |
| - Cost   |                     |  |               |        |               |        |
| - Market Value                                 |                     |  |               |        |               |        |
| Aggregate amount of Unquoted Investment        |                     |  |               |        |               |        |
| <b>TOTAL (14A+14B)</b>                         |                     |  |               |        |               |        |

| Particulars                               |  |  | On 31-03-2014 |        | On 31-03-2013 |        |
|---|--|--|---------------|--------|---------------|--------|
|   |  |  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '14'</b>                          |  |  |               |        |               |        |
| <b>LONG TERM LOANS AND ADVANCES</b>       |  |  |               |        |               |        |
| <i>Secured Considered Good:</i>           |  |  |               |        |               |        |
| <i>Unsecured Considered Good:</i>         |  |  |               |        |               |        |
| <i>Doubtful:</i>                          |  |  |               |        |               |        |
| Other Loans and Advances (Specify Nature) |  |  |               |        |               |        |
| <b>TOTAL</b>                              |  |  |               |        |               |        |

| Particulars                               |  |  | On 31-03-2014 |          | On 31-03-2013 |          |
|---|--|--|---------------|----------|---------------|----------|
|   |  |  | Rupees        | Rupees   | Rupees        | Rupees   |
| <b>NOTE '15'</b>                          |  |  |               |          |               |          |
| <b>OTHER NON CURRENT ASSETS</b>           |  |  |               |          |               |          |
| <b>Longterm Trade Receivables</b>         |  |  |               |          |               |          |
| Secured Considered Good                   |  |  |               |          |               |          |
| Unsecured Considered Good                 |  |  |               |          |               |          |
| Doubtful                                  |  |  |               |          |               |          |
| <b>Others ( Specify Nature)</b>           |  |  |               |          |               |          |
| <b>Preliminary, Preoperative Expenses</b> |  |  |               |          |               |          |
| <b>TOTAL</b>                              |  |  | 32676887      |          | 32666672      |          |
|   |  |  |               | 32676887 |               | 32666672 |

| Particulars        |  |  | On 31-03-2014 |        | On 31-03-2013 |        |
|--------------------|--|--|---------------|--------|---------------|--------|
|                    |  |  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '16'</b>   |  |  |               |        |               |        |
| <b>INVENTORIES</b> |  |  |               |        |               |        |
| Raw Material       |  |  |               |        |               |        |
| Packing Material   |  |  |               |        |               |        |
| Work In Process    |  |  |               |        |               |        |
| Stock-in-Trade     |  |  |               |        |               |        |
| Stores and Spares  |  |  |               |        |               |        |
| <b>TOTAL</b>       |  |  |               |        |               |        |

| Particulars  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `17'</b>   |               |        |               |        |
| <b>TRADE RECEIVABLES</b>   |               |        |               |        |
| Over Six Months  |               |        |               |        |
| Below Six Months   |               |        |               |        |
| Less:  |               |        |               |        |
| (Debts Due by Directors and Other Related Parties To be disclosed) |               |        |               |        |
| <b>TOTAL</b>   |               |        |               |        |

| Particulars                       | On 31-03-2014 |          | On 31-03-2013 |          |
|-----------------------------------|---------------|----------|---------------|----------|
|                                   | Rupees        | Rupees   | Rupees        | Rupees   |
| <b>NOTE `18'</b>                  |               |          |               |          |
| <b>CASH AND BANK BALANCES</b>     |               |          |               |          |
| <b>-Cash and Cash Equivalents</b> |               |          |               |          |
| Cash on Hand                      |               | 74631684 |               | 74631684 |
| Balance with Banks                |               |          |               |          |
| -In Current Accounts              |               | 5606     |               | 5806     |
| <b>- Other Bank Balances</b>      |               |          |               |          |
| -In Current Accounts              |               |          |               |          |
| <b>TOTAL</b>                      |               | 74637290 |               | 74637490 |

| Particulars   | On 31-03-2014 |        | On 31-03-2013 |        |
|---|---------------|--------|---------------|--------|
|   | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `19'</b>  |               |        |               |        |
| <b>SHORT TERM LOANS AND ADVANCES</b>                                  |               |        |               |        |
| Loans and advances to related parties ( Secured/ Unsecured/ Doubtful) |               |        |               |        |
| Loans and Advance to Directors  |               |        |               |        |
| Others  |               |        |               |        |
| <b>TOTAL</b>  |               |        |               |        |

| Particulars                 | On 31-03-2014 |        | On 31-03-2013 |        |
|-----------------------------|---------------|--------|---------------|--------|
|                             | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `20'</b>            |               |        |               |        |
| <b>OTHER CURRENT ASSETS</b> |               |        |               |        |
| Any Other Asset             |               |        |               |        |
| <b>TOTAL</b>                |               |        |               |        |

| Particulars                   | On 31-03-2014 |        | On 31-03-2013 |        |
|-------------------------------|---------------|--------|---------------|--------|
|                               | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `21'</b>              |               |        |               |        |
| <b>REVENUE FROM OPERATION</b> |               |        |               |        |
| Indigenous Sales              |               |        |               |        |
| Export Sales                  |               |        |               |        |
| Other Operating Revenues      |               |        |               |        |
| <b>TOTAL</b>                  |               |        |               |        |

| Particulars                                  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE `22'</b>                             |               |        |               |        |
| <b>OTHER INCOME</b>                          |               |        |               |        |
| Interest                                     |               |        |               |        |
| Foreign Exchange Rate Difference             |               |        |               |        |
| Other non-operating income (net of expenses) |               |        |               |        |
| Insurance Claim Received                     |               |        |               |        |
| Net gain/ loss on sale of investments        |               |        |               |        |
| Dividends                                    |               |        |               |        |
| <b>TOTAL</b>                                 |               |        |               |        |

| Particulars                      | On 31-03-2014 |        | On 31-03-2013 |        |
|----------------------------------|---------------|--------|---------------|--------|
|                                  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '23'</b>                 |               |        |               |        |
| <b>COST OF MATERIAL CONSUMED</b> |               |        |               |        |
| Raw Materials' Consumption       |               |        |               |        |
| Packing Materials' Consumption   |               |        |               |        |
| Cost of Trading Materials Sold   |               |        |               |        |
| Less : Stock at Close            |               |        |               |        |
| <b>Change in Stocks</b>          |               |        |               |        |
| <b>Stock at Commencement</b>     |               |        |               |        |
| Work-in Process                  |               |        |               |        |
| Finished Goods                   |               |        |               |        |
| <b>Less: Stock at Close</b>      |               |        |               |        |
| Work-in-Process                  |               |        |               |        |
| Finished Goods                   |               |        |               |        |
|                                  |               | =====  |               | =====  |
|                                  |               | =====  |               | =====  |
| Stock Decreased /(Increased) by  |               |        |               |        |
|                                  | <b>TOTAL</b>  |        |               |        |

| Particulars  | On 31-03-2014 |        | On 31-03-2013 |        |
|--|---------------|--------|---------------|--------|
|  | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '24'</b>                                     |               |        |               |        |
| <b>EMPLOYEE BENEFITS EXPENSES</b>                    |               |        |               |        |
| Salaries, Wages, Bonus etc.                          |               | -      |               | -      |
| Contribution to P.F, E.S.I and Other Statutory Funds |               |        |               |        |
|  |               | =====  |               | =====  |
|  |               | =====  |               | =====  |

| Particulars                  | On 31-03-2014 |        | On 31-03-2013 |        |
|------------------------------|---------------|--------|---------------|--------|
|                              | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '25'</b>             |               |        |               |        |
| <b>FINANCE COSTS</b>         |               |        |               |        |
| <b>Interest Expense</b>      |               |        |               |        |
| Interest on Term Loan        |               |        |               |        |
| Interest on Working Capital  |               |        |               |        |
| <b>Other Borrowing Costs</b> |               |        |               |        |
|                              |               | =====  |               | =====  |
|                              |               | =====  |               | =====  |
|                              | <b>TOTAL</b>  |        |               |        |

| Particulars           | On 31-03-2014 |        | On 31-03-2013 |        |
|-----------------------|---------------|--------|---------------|--------|
|                       | Rupees        | Rupees | Rupees        | Rupees |
| <b>NOTE '26'</b>      |               |        |               |        |
| <b>OTHER EXPENSES</b> |               |        |               |        |
|                       |               | =====  |               | =====  |
|                       |               | =====  |               | =====  |
|                       | <b>TOTAL</b>  |        |               |        |

**SCHEDULE : J:**

**HICS CEMENTS LIMITED, BHUJ**

**NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2014**

1. Previous year's figures have been regrouped wherever necessary to make them comparable with those of the Current Year.

2. No provision is necessary for accrued liability in respect of gratuity.

3. Payment to Auditors:

Audit fees            - NIL -            (Pre.Yr.: -NIL- )

4. Statement on significant Accounting Policies

a. System of Accounting :-

i. The company generally follows the mercantile system of accounting and recognizes income and expenditure.

ii. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

b. Fixed Assets :-

Fixed Assets are carried at cost of acquisition including incidental expenses related to acquisition and installation on concerned Assets.

c. Depreciation:

Depreciation is not provided since the Company has not yet commenced its business.

d. Inventories:-

Since the Company has no stock during the period, there is no question of verification or valuation of stock for the period.

f. Investments:

Investments are shown at cost only.

g. Applicability of E.S.I. Act:

The provisions of the Employees State Insurance Act are not applicable to the company for the period.

h. Taxation:

Since the company is under construction stage only, no commercial production was made during the period. Hence no Profit & Loss Account could be prepared for the period and no taxation liability arise.

**FOR MAYUR SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**FOR, HICS CEMENTS LIMITED**

**Sd/-  
(MAYUR M.SHAH)  
(M.NO.36827)  
(PARTNER)  
FRN:106125W**

**Sd/-  
Prashant Khimani  
Director  
DIN:01626040**

**Sd/-  
Kantilal  
Khimani  
Director  
DIN:00554969**

**Sd/-  
Ketan  
Khimani  
Director  
DIN:00555000**

**Date: 29/05/2014  
Place: Ahmedabad**

**Date: 29/05/2014  
Place: Bhuj**