

NOTICE

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the members of the Company shall be held on 28-09-2012 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, 2012, 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: 24/07/2012

Place: Bhuj

Sd/- Prashant K. Khimani Director	Sd/- Kantilal J. Khimani Director	Sd/- Ketan K. Khimani Director
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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 21ST SEPTEMBER, 2012 TO 28TH SEPTEMBER 2012.

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, 2012.

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, 2012 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 re-appointment.

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, 2012 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: 24/07/2012

Place: Bhuj

**Sd/-
Prashant K. Khimani
Director**

**Sd/-
Kantilal J. Khimani
Director**

**Sd/-
Ketan K. Khimani
Director**

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 31st March, 2012 comprises of Three Directors . The Chairperson is an executive director.

No.	Name of Director	Category
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:

22/04/2011, 04/07/2011, 25/10/2011 and 17/01/2012

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, 1956, 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 31st March, 2012 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, 1956 as below.

a. Composition:

As on 31.03.2012, 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 meetings were held during Financial Year 2011-12. The dates on which the said meetings were held as follows:

22/04/2011, 12/07/2011, 25/10/2011, 17/01/2012

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

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.

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
2011	30/09/2011	11.30 A.M	Shah Commercial Centre, Station Road, Bhuj, 370001
2010	15/07/2010	11.30 A.M	Shah Commercial Centre, Station Road, Bhuj, 370001
2009	22/09/2009	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:

2011 No special resolution passed in the year under review.

2010 No special resolution passed in the year under review.

2009 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 2011-12 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 2011-12 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 2011-12;
- Significant changes in accounting policies during the year 2011-12 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:**

28th September, 2012 at 11.30 a.m. at the Registered Office of the Company.

- **Financial Year:**

1st April 2011 to 31st March, 2012

- **Financial Calendar:**

1st quarterly results – last week of May, 2011

2nd quarterly results – last week of August, 2011

3rd quarter results – last week of November, 2011.

4th quarter results – last week of February, 2012.

- **Date of Book Closure:**

21st September, 2012 to 28th September 2012 (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 could not paid listing fee for the year 2011-12.

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

- **Demat ISIN number:** Share yet not Dematerialised

- **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 31.03.2012**

SHARE HOLDING OF NOMINAL VALUE OF		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
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
Total		687	100.00	100161000	100.00

- **Shareholding pattern as on 31.03.2012**

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
TOTAL	10016100	100.00

Dematerialization of shares: As on 31/03/2012 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: 24/07/2012

Place: Bhuj

Sd/-
Prashant K. Khimani
Director

Sd/-
Kantilal J. Khimani
Director

Sd/-
Ketan K. Khimani
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) INDUSTRY STRUCTURE AND DEVELOPMENTS

The all India cement production during the period April 2011 to March 2012 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 2011-12 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: 24/07/2012

Place: Bhuj

**Sd/-
Prashant K. Khimani
Director**

**Sd/-
Kantilal J. Khimani
Director**

**Sd/-
Ketan K. Khimani
Director**

AUDITOR'S REPORT

To,
The Members,
HICS CEMENTS LIMITED,
Bhuj.

1. We have audited the attached Balance Sheet of **HICS CEMENTS LIMITED, as** at 31st March, 2012 and also the Statement of Preliminary and Pre-operative Expenses Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. 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. The 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.

3. Further, subject to the notes forming part of account, we that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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.
- iii. The Balance Sheet and Statement of Preliminary and Pre-operative Expenses Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Statement of Preliminary and Pre-operative Expenses Account dealt with by this report comply with the accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
- vi. The Balance Sheet and Statement of Preliminary and Pre-operative Expenses Account are in agreement with the books of account.

As required by the Companies (Auditor's Report) order, 2003, issued by the Central Government and on the basis of such checks as we considered appropriate. We further state that:

- 1) a) The company is maintaining proper records showing full particulars, including details and situation of the fixed assets;
b) These fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verifications.
- 2) Since, the Company has yet not commenced any operations, there is no question of any physical verification of inventory by the management
- 3) a) The company has not granted any loans, secured unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. The Company has taken loans and/or deposits from parties covered in the register maintained U/s 301 of the Act as per list attached herewith marked Annexure-`A`.
b) The rate of interest and other terms and conditions of loans taken by the company, secured or unsecured are not prima facie prejudicial to the interest of the company;
c) Payment of the principal amount and interest are also regular;
d) Reasonable steps have been taken by the company for payment of the principal and interest;
- 4) There is an adequate control procedure commensurate with the size of the company and the nature of its business for fixed assets.
- 5) Transactions that need to be entered in the register in pursuance of section 301 of the Act have been so entered;
- 6) The company has not accepted deposits from the public, and therefore the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under, are not applicable.
- 7) The company has an internal audit system commensurate with its size and nature of its business;
- 8) Maintenance of cost records has not been prescribed by the Central Govt. under clause(d) of sub-section (1) of section 209 of the Act.
- 9) The company is regular in depositing undisputed statutory dues including Income-tax and any other statutory dues with the appropriate authorities.
- 10) Since the company has not commenced any commercial operations during the year, there is no question of accumulation of losses.
- 11) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12) The provisions of any special statute as applicable to chit fund are not applicable to the company.
- 13) The company is not dealing or trading in shares, debentures and other investments and therefore, there is no question of maintenance of records of such transactions and contracts.

- 14) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 15) Term loans were applied for the purpose for which the loans were obtained;
- 16) The funds raised on short-term basis have not been used for long term investment and vice versa.
- 17) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 18) The company has not issued any debentures during the life time of the company.
- 19) The company has not raised any fund out of public issue during the year under consideration.
- 20) No fraud on or by the company has been noticed or reported during the year.

**FOR MAYUR SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE: AHMEDABAD

DATE: 24/07/2012

Sd/-
(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 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
	TOTAL	70,42,469

**HICS CEMENTS LIMITED.
BHUJ**

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Note No.	As at 31/03/11		As at 31/03/10	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	1	99,994,500		99,994,500	
(b) Reserves and Surplus	2	-		-	
(c) Money received against share warrants		-		-	
			99,994,500		99,994,500
2. Share application money pending allotment					
(To the extent not refundable)	3				
3. Non-current liabilities					
(a) Long-term borrowings	4	7,042,469		7,044,969	
(b) Deferred Tax liabilities (Net)	5				
(c) Other Long term liabilities	6	257,178		247,163	
(d) Long-term Provisions	7	-			
			7,299,647		7,292,132
4. Current Liabilities					
(a) Short term borrowings	8	-			
(b) Trade payables	9				
(c) Other current liabilities	10	-			
(d) Short term provisions	11	-			
			-		-
TOTAL			107,294,147		107,286,632
II ASSETS					
1. Non-current assets					
(a) Fixed assets	12	-			
(i) Tangible assets					
(ii) Intangible assets					
(iii) Capital work-in-progress		-		74,559,223	
(iv) Intangible assets under development					
(b) Non-current investments	13A	-			
(c) Deferred tax assets (net)	14	-			
(d) Long-term loans and advances	15	32,647,957		32,637,742	
(e) Other non-current assets					
			32,647,957		107,196,965
2. Current assets					
(a) Current investments	13B	-			
(b) Inventories	16	-			
(c) Trade receivables	17	-			
(d) Cash and Bank Balances	18	74,646,190		89,667	
(e) Short-term loans and advances	19	-			
(f) Other current assets	20	-		-	
			74,646,190		89,667
TOTAL			107,294,147		107,286,632
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 Khimani
Director

Date: 24/07/2012
Place: Ahmedabad

Date: 24/07/2012
Place: Bhuj

HICS CEMENTS LIMITED.

BHUJ

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31/03/12

	PARTICULARS	Note No.	Upto 31/03/12		Upto 31/03/11	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations:	21				
	Sale of Products		-		-	
	Sale of Services		-		-	
	Other Operating Revenues		-		-	
	Less: Excise Duty		-	-		-
II	Other Income	22		-		-
III	Total Revenue (I + II)			-		-
IV	Expenses					
	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	-			
	Total Expense			-		-
V	Profit before exceptional and extraordinary items and tax (III-IV)			-		-
VI	Exceptional Items					
VII	Profit before extraordinary items and tax (V-VI)			-		-
VIII	Extraordinary items					
IX	Profit before tax (VII-VIII)			-		-
X	Tax expense:					
	(1) Current tax					
	(2) Deferred tax					
				-		-
XI	Profit/(Loss) for the period from continuing operations (IX - X)			-		-
XII	Profit/(Loss) for the period from discontinuing operations					
XIII	Tax expense of discontinuing operations					
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV	Profit/(Loss) for the period (XI + XIV)			-		-
XVI	Earnings per equity share:					
	(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 Khimani
Director

Date: 24/07/2012
Place: Ahmedabad

Date: 24/07/2012
Place: Bhuj

HICS CEMENTS LIMITED.

Cash Flow Statement for the year ended on 31/03/2012

Particulars	Amount Rs.	Amount Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per P&L a/c		0.00
Adjustments for:		
Depreciation	0.00	
Written off	0.00	
(Profit)/loss on sale of Assets	0.00	
Transfer to General Reserve	0.00	
Interest Income	0.00	
Operating Profit before Working Capital Changes		0.00
Adjustments for:		
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)
Cash generated from operations		(200.00)
Income Tax paid		0
Net Cash flow from Operating activities		(200)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.00	
Capital Advance is received back	74,559,223.00	
Issue of Share Capital	0.00	
Net Cash used in Investing activities		74,559,223
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loans Taken	(2,500.08)	
Net Cash used in financing activities		(2,500)
Net increase/(decrease) in cash & Cash Equivalents		74,556,523
Cash and Cash equivalents as at 01.04.11		89,667
Cash and Cash equivalents as at 31.03.12		74,646,190

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 : 24/07/2012
Place : Ahmedabad

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

Sd/-
Prashant Khimani
Director

Sd/-
Kantilal Khimani
Director

HICS CEMENTS LIMITED - BHUJ

NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `1`				
SHARE CAPITAL				
-Authorised				
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]				
-Issued, Subscribed and Paid up				
*10016100 Shares of Rs.10/- each fully paid				
[Previous Year : 10016100 Equity Shares of Rs.10/- each]	100,161,000		100,161,000	
* [_____Equity Shares were allotted (preceeding 5 years) as fully paid up Bonus Shares by way capitalisation of Security Premium Account]				
Less : Call in Arrear	166,500		166,500	
TOTAL		<u>99,994,500</u>		<u>99,994,500</u>

- Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
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

-List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	In Nos	In %	In Nos	In %
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Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `2`				
RESERVES AND SURPLUS				
General Reserve				
Opening Balance				
Add : Transfer from Profit and Loss Account				
Less : Appropriations				
Closing Balance				
Profit and Loss Account				
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				
TOTAL		<u>_____</u>		<u>_____</u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `3'				
SHARE APPLICATION MONEY PENDING ALLOTMENT				
Share Application Money To the extent Not Refundable (Disclose Terms and Condition)				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `4'				
LONG TERM BORROWINGS				
<i>-Secured</i>				
Bonds And Debentures				
Term Loans				
<i>-From Bank</i>				
Term Loan from _____ Bank				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
[Repayable within __EMI of Rs. _____]				
<i>-From Others</i>				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
[Repayable within __EMI of Rs. _____]				
Deposits				
Deffered Payment of Liabilities				
Loans & Advance from Related Parties				
Loans and Advances from Others				
<i>- Unsecured</i>				
Bonds And Debentures				
Term Loans				
<i>-From Bank</i>				
Term Loan from _____ Bank				
[Repayable within __EMI of Rs. _____]				
<i>-From Others</i>			7042469	7044969
Deposits				
Deffered Payment of Liabilities				
Loans & Advance from Related Parties				
Loans and Advances from Others				
<i>(Continuing Default In Repayment, If any to be disclosed)</i>				
TOTAL			7042469	7044969

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `5'				
DEFERRED TAX LIABILITY				
Deferred Tax Liabilities				
Deferred Tax Assets				
Deferred Tax Liabilities (Net)				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `6`				
OTHER LONG TERM LIABILITIES				
Trade Payables		257178		247163
(Out Of The Above Total Outstanding to MSM Enterprise are Rs._____) (Refere Note No .)				
Other Long Term Liability				
TOTAL		257178		247163

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `7`				
LONG TERM PROVISIONS				
Provision For Employee Benefits				
Others				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `8`				
SHORT TERM BORROWINGS				
<i>-Secured</i>				
Loans repayable on demand				
<i>From Banks</i>				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
<i>From Others</i>				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
Loans and advances from related parties				
Deposits				
Other loan and advances				
<i>-Unsecured</i>				
Loans repayable on demand				
From Banks				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
From Others				
[Secured by way of Hypothecation of _____, Guarantee of Directors & Others]				
Loans and advances from related parties				
Deposits				
Other loan and advances				
<i>(Continuing Default In Repayment, If any to be disclosed)</i>				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `9`				
TRADE PAYABLES				
Trade Payables				
For Goods				
For Capital Goods and Capital Expenses				
For Expenses				
(Out Of The Above Total Outstanding to MSM Enterprise are Rs._____) (Refere Note No .)				
Others				
For Statutory Dues				
For Advances to Customers				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '10'				
OTHER CURRENT LIABILITIES				
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)				
TOTAL		<u> </u>	<u> </u>	<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '11'				
SHORT TERM PROVISIONS				
Other Provisions:				
Provision for Taxation				
Proposed Dividend				
Corporate Dividend Tax				
TOTAL		<u> </u>	<u> </u>	<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '13A'				
NON-CURRENT INVESTMENTS				
(All Quoted unless otherwise Specified)				
Number	Face Value Per Unit	Trade Investment (Long term) in Mutual Funds		
Number	Face Value Per Unit	Non - Trade Investment in		
		Total Non- Current Investment	<u> </u>	<u> </u>
NOTE '13B'				
CURRENT INVESTMENT				
Number	Face Value Per Unit	Trade Investment (Long term) in Subsidiary Companies		
Number	Face Value Per Unit	Non - Trade Investment in		
		Total Non- Current Investment	<u> </u>	<u> </u>
	Aggregate NAV of Current Investment			
	Aggregate amount of Quoted Investment			
		- Cost		
		- Market Value		
	Aggregate amount of Unquoted Investment			
	TOTAL (14A+14B)			
		<u> </u>	<u> </u>	<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `14'				
LONG TERM LOANS AND ADVANCES				
<i>Secured Considered Good:</i>				
Capital Advances				
Security Deposits				
Loans and Advances to Related Parties				
Other Loans and Advances (Specify Nature)				
<i>Unsecured Considered Good:</i>				
Capital Advances				
Security Deposits				
Loans and Advances to Related Parties				
Other Loans and Advances (Specify Nature)				
<i>Doubtful:</i>				
Capital Advances				
Security Deposits				
Loans and Advances to Related Parties				
Other Loans and Advances (Specify Nature)				
TOTAL		<u> </u>		<u> </u>
		<u> </u>		<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `15'				
OTHER NON CURRENT ASSETS				
Longterm Trade Receivables				
Secured Considered Good				
Unsecured Considered Good				
Doubtful				
Others (Specify Nature)				
Preliminary, Preoperative Expenses		32647957		32637742
TOTAL		<u>32647957</u>		<u>32637742</u>
		<u> </u>		<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE `16'				
INVENTORIES				
Raw Material				
Packing Material				
Work In Process				
Stock-in-Trade				
Stores and Spares				
TOTAL		<u> </u>		<u> </u>
		<u> </u>		<u> </u>

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '17'				
TRADE RECEIVABLES				
Over Six Months				
Good				
Doubtful				
Below Six Months				
Good				
Doubtful				
Less:				
Provision for Doubtful Debts				
(Debts Due by Directors and Other Related Parties To be disclosed)				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '18'				
CASH AND BANK BALANCES				
-Cash and Cash Equivalents				
Cash on Hand		74630184		78461
Balance with Banks				
-In Current Accounts		16006		11206
-In Fixed Deposit Accounts				
- As Margin Money				
- Other Bank Balances				
Balance with Banks				
-In Current Accounts				
-In Fixed Deposit Accounts				
- As Margin Money				
TOTAL		74646190		89667

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '19'				
SHORT TERM LOANS AND ADVANCES				
Loans and advances to related parties (Secured/ Unsecured/ Doubtful)				
Loans and Advance to Directors				
Others				
Advance for Capital Expenses				
Advances to Suppliers				
Prepaid Expenses				
Advances Staff and Others				
Balance with Statutory Authorities				
TOTAL				

Particulars	On 31/03/12		On 31/03/11	
	Rupees	Rupees	Rupees	Rupees
NOTE '20'				
OTHER CURRENT ASSETS				
Any Other Asset				
TOTAL				

Particulars	For the period As On 31/03/12		For the period As On 31/03/11	
	Rupees	Rupees	Rupees	Rupees

NOTE '21'**REVENUE FROM OPERATION****Indigenous Sales**

Manufactured Goods

Traded Goods

Export Sales

Manufactured Goods

Traded Goods

Other Operating Revenues**TOTAL**

=====

=====

Particulars

For the period As On 31/03/12

For the period As On 31/03/11

Rupees**Rupees****Rupees****Rupees****NOTE '22'****OTHER INCOME**

Interest

Foreign Exchange Rate Difference

Other non-operating income (net of expenses)

Insurance Claim Received

Net gain/ loss on sale of investments

Dividends

TOTAL

=====

=====

Particulars

For the period As On 31/03/12

For the period As On 31/03/11

Rupees**Rupees****Rupees****Rupees****NOTE '23'****COST OF MATERIAL CONSUMED****Raw Materials' Consumption**

Stock at Commencement

Add: Purchases

Freight and Octroi on Purchases

Less : Stock at Close

Packing Materials' Consumption

Stock at Commencement

Add: Purchases

Design and Printing on P.M.

Freight and Octroi on Purchases

Less : Stock at Close

Cost of Trading Materials Sold

Stock at Commencement

Purchase of Trading Materials

Freight and Octroi on Trading Materials

Less : Stock at Close

Change in Stocks**Stock at Commencement**

Work-in Process

Finished Goods

Less: Stock at Close

Work-in-Process

Finished Goods

=====

=====

Stock Decreased /(Increased) by

SCHEDULE : J:

HICS CEMENTS LIMITED, BHUJ

NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2012

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	3,309/-	(Pre. Yr.: 3,309/-)
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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**

**Sd/-
Kantilal Khimani
Director**

Date: 24/07/2012
Place: Ahmedabad

Date: 24/07/2012
Place: Bhuj