

**RELIANCE CEMENT COMPANY PRIVATE LIMITED**  
**ANNUAL ACCOUNTS FOR**  
**THE FY 2014-15**

**Independent Auditor's Report  
To the Members of  
Reliance Cement Company Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Reliance Cement Company Private Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. While conducting the audit we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 on financial statement.

### **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, the state of affairs of the company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date;
- 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has no pending litigation that can have impact on its financial position;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended.

**For Bhandari Dastur Gupta & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 119739W**

**Sunil Bhandari**  
**(Partner)**  
**(Membership No: 047981)**  
**Place: Navi Mumbai**  
**Date : May 16, 2015**



## **Annexure to Independent Auditor's Report**

The annexure referred to in our Independent Auditor's to members of the company on financials statement for the year ended 31 March, 2015, we report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) According to information and explanations given to us, and records examined by us, the management conducted physical verification of fixed assets in a phased programmed manner to cover all the items over period of 3 years which, in our opinion, in reasonable having regards to size of the company and nature of its assets. Pursuant to the program, a portion of fixed assets has been physical verified by the management during the year and no material discrepancies between the book records and physical inventory have been noticed.
2. (a) The Inventory has been physical verified by the management during the year and in our opinion frequency of verification is reasonable.  
  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of the business.  
  
(c) on the basis of our examination of physical records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared book records were not material.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013("the Act").
4. In our opinion and according to information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. The Company has not accepted any deposits from the public.
6. In our opinion and according to information and explanation given to us, company has maintained various accounts and records in respect of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise ,value

added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, provident fund, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute

(c) There were no amounts which were required to be transferred to investor education and protection fund by the company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

8. In our opinion, the accumulated losses as at March 31, 2015 are not more than fifty percent of Company's net worth. The company has incurred cash loss during the financial year covered by our audit and also in immediate preceding financial year.
9. According to records of the Company examined by us and information and explanations given to us, the company has not defaulted in any of dues to financial institutions or bank as the balance sheet date.
10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. In our opinion, and according to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Bhandari Dastur Gupta & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 119739W**

**Sunil Bhandari**  
**(Partner)**  
**(Membership No: 047981)**  
**Place: Navi Mumbai**  
**Date : May 16,2015**



# RELIANCE CEMENT COMPANY PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	As at March 31, 2015	As at March 31, 2014
		(Amount in Rs.)	(Amount in Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2.1	1,27,56,65,910	68,32,30,000
(b) Reserves and Surplus	2.2	6,94,26,15,566	4,06,00,04,622
<b>Share application money pending allotment</b>	2.3	-	3,73,85,00,000
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowing	2.4	19,29,75,09,875	18,84,43,04,786
(b) Long Term Provisions	2.5	4,57,84,399	2,96,57,364
<b>Current Liabilities</b>			
(a) Short Term Borrowing	2.6	2,21,43,01,619	2,43,39,60,599
(b) Trade Payables	2.7	83,76,41,316	2,31,33,308
(c) Other Current Liabilities	2.8	4,67,37,94,496	1,68,23,72,712
(d) Short Term Provisions	2.9	60,82,667	31,61,915
<b>Total</b>		<b>35,29,33,95,848</b>	<b>31,49,83,25,306</b>
<b>Non-current assets</b>			
(a) <i>Fixed Assets</i>			
(i) Tangible Assets	2.10.1	27,84,59,08,454	3,68,13,60,265
(ii) Intangible Assets	2.10.2	74,85,585	1,04,46,885
(iii) Capital Work-in-Progress	2.10.3	4,40,09,66,846	25,85,58,99,638
(b) Non-Current Investments	2.11	2,00,000	1,00,000
(c) Long Term Loans and Advances	2.12	12,93,25,387	9,79,49,115
(d) Deferred Tax Assets (Net)	2.13	-	-
<b>Current assets</b>			
(a) Inventory	2.14	1,03,34,99,623	49,68,87,963
(b) Trade Receivables	2.15	29,44,93,945	3,09,90,703
(c) Cash and Cash Equivalents	2.16	31,82,22,891	34,41,40,773
(d) Short Term Loans and Advances	2.17	1,26,32,93,117	97,24,20,850
(e) Other Current Assets	2.18	-	81,29,114
<b>Total</b>		<b>35,29,33,95,848</b>	<b>31,49,83,25,306</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1 & 2**

**For Bhandari Dastur Gupta & Associates**

**Chartered Accountants**

**Firm Registration No.: 119739W**

**Sunil Bhandari**

**Partner**

**Membership No 047981**

**For and on behalf of the Board of Directors**

**Atul Desai**  
Director

**Darshan Lal**  
Director

**S N Moondra**  
Chief Financial Officer

**Ganesan T.V**  
Company Secretary

Place : Navi Mumbai  
Date : May 16, 2015



**RELIANCE CEMENT COMPANY PRIVATE LIMITED**  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars		Note	Year ended March 31, 2015	Year ended March 31, 2014
			(Amount in Rs.)	(Amount in Rs.)
1	Revenue from operations (gross)	2.19	5,97,91,58,218	81,98,09,444
	Less: Excise duty	2.19	79,09,74,306	10,23,40,502
	Revenue from operations (net)		5,18,81,83,912	71,74,68,942
2	Other income	2.20	23,14,25,578	8,47,646
3	<b>Total revenue (1+2)</b>		<b>5,41,96,09,490</b>	<b>71,83,16,588</b>
4	<b>Expenses</b>			
	Cost of materials consumed	2.21a	1,15,23,35,370	40,66,31,281
	Purchases of traded goods	2.21b	23,68,64,938	2,03,57,622
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21c	(29,83,36,070)	(2,54,06,523)
	Employee benefits expense	2.22	38,94,34,803	3,95,94,600
	Power & Fuel		1,59,44,92,223	7,10,46,853
	Freight & Forwarding Expenses		80,44,40,995	7,34,81,132
	Other expenses	2.23	1,16,51,59,865	16,18,18,419
5	<b>Total expenses</b>		<b>5,04,43,92,124</b>	<b>74,75,23,384</b>
	<b>Profit before Interest, Depreciation and Tax (PBITD)</b>		<b>37,52,17,366</b>	<b>(2,92,06,796)</b>
	Finance Costs	2.24	99,80,05,394	22,09,745
	Depreciation and amortisation expense	2.10.1	52,31,42,216	6,70,96,323
6	<b>Profit / (Loss) before tax</b>		<b>(1,14,59,30,244)</b>	<b>(9,85,12,864)</b>
7	<b>Income Tax expense:</b>			
	Current tax		23,000	-
	Deferred tax	2.13	-	-
8	<b>Profit / (Loss) after tax</b>		<b>(1,14,59,53,244)</b>	<b>(9,85,12,864)</b>
9	<b>Earnings per share (Face value of Rs 10/-):</b>	2.25		
	(a) Basic (in Rs)		(8.98)	(1.44)
	(b) Diluted (in Rs)		(10.01)	(1.44)
	<b>Significant Accounting Policies</b>	1		
	<b>The accompanying notes form the integral part of the financial statements</b>	2		

As per our report even date

**For Bhandari Dastur Gupta & Associates**  
Chartered Accountants  
Firm Registration No.: 119739W

**Sunil Bhandari**  
Partner  
Membership No 047981

Place : Navi Mumbai  
Date : May 16, 2015

**For and on behalf of the Board of Directors**

**Atul Desai**  
Director

**Darshan Lal**  
Director

**S N Moondra**  
Chief Financial Officer

**Ganesan T.V**  
Company Secretary

**RELIANCE CEMENT COMPANY PRIVATE LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (Amount in Rs.)	As at March 31, 2014 (Amount in Rs.)
<b>A. Cash flow from operating activities</b>		
Profit before tax	(1,14,59,30,244)	(9,85,12,864)
Depreciation and amortisation	52,31,42,216	6,70,96,323
<b>Operating Profit before working capital changes</b>	(62,27,88,028)	(3,14,16,541)
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(26,35,03,242)	(2,50,70,443)
Increase/(Decrease) in Trade Payables	81,45,08,008	10,64,30,874
Cash generated from operations	(7,17,83,263)	4,99,43,890
Direct taxes received / (paid) (Net)	(23,000)	-
<b>Net Cash generated from / (used in) operating activities (A)</b>	<b>(7,18,06,263)</b>	<b>4,99,43,890</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase/ Acquisition of fixed assets (including CWIP)	(1,07,00,57,826)	(10,17,59,42,623)
Sale of Fixed Assets	-	10,12,000
(Investment) / Disinvestment in Subsidiary Companies	(1,00,000)	10,00,000
Purchase / (Sale) of Investment	-	93,42,66,919
<b>Net Cash generated from / (used in) investing activities (B)</b>	<b>(1,07,01,57,826)</b>	<b>(9,23,96,63,704)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds of Share capital (Including Share Application Money)	88,25,00,098	3,73,85,00,000
Availment/(Repayment) of borrowings - Long Term (net)	45,32,05,089	5,01,43,69,211
Availment/(Repayment) of borrowings - Short Term (net)	(21,96,58,980)	73,34,53,791
<b>Net Cash generated from / (used in) financing activities (C)</b>	<b>1,11,60,46,207</b>	<b>9,48,63,23,002</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,59,17,882)</b>	<b>29,66,03,188</b>
Cash and Cash Equivalents at the beginning of the year	34,41,40,773	4,75,37,585
Cash and Cash Equivalents at the end of the year	31,82,22,891	34,41,40,773
<b>Net Increase / (Decrease) as disclosed above</b>	<b>(2,59,17,882)</b>	<b>29,66,03,188</b>

As per our Report of even date attached

**For Bhandari Dastur Gupta & Associates**  
Chartered Accountants  
Firm Registration No.: 119739W

**Sunil Bhandari**  
Partner  
Membership No 047981

Place : Navi Mumbai  
Date : May 16, 2015

**For and on behalf of the Board of Directors**

**Atul Desai**  
Director

**Darshan Lal**  
Director

**S N Moondra**  
Chief Financial Officer

**Ganesan T.V**  
Company Secretary



**RELIANCE CEMENT COMPANY PRIVATE LIMITED**
*Notes annexed to and forming part of the Financial Statements*
**2.1 Share Capital**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>				
Equity Shares of Rs.10 each	20,00,00,000	2,00,00,00,000	10,00,00,000	1,00,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each	12,75,66,591	1,27,56,65,910	6,83,23,000	68,32,30,000

**(a) Reconciliation of Equity Shares Outstanding**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount in Rs.	Number	Amount in Rs.
At the Beginning of the year	6,83,23,000	68,32,30,000	6,83,23,000	68,32,30,000
Add : Issued during the year	5,92,43,591	59,24,35,910	-	-
At the end of the year	12,75,66,591	1,27,56,65,910	6,83,23,000	68,32,30,000

- (b) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2015 Company has not declared any dividend.

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

Particulars	As at March 31, 2015			As at March 31, 2014		
	Number	Amount in Rs.	%	Number	Amount in Rs.	%
Reliance Infrastructure Limited	12,75,66,591	1,27,56,65,910	100%	6,83,23,000	68,32,30,000	100%
Total	12,75,66,591	1,27,56,65,910	100%	6,83,23,000	68,32,30,000	100%

- (d) 12,75,66,591 (PY 6,83,23,000) Equity Shares i.e 100% (i.e 100%) are held by Reliance Infrastructure Limited. (Holding Company)

- (e) No bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back during last five years.

**2.2 Reserves & Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Securities Premium Account</b>		
Opening Balance	4,15,91,70,000	4,15,91,70,000
Add : Premium received on issue of Shares	4,02,85,64,188	-
Closing Balance	8,18,77,34,188	4,15,91,70,000
<b>Surplus</b>		
Balance as per the last financial statements	(9,91,65,378)	(6,52,514)
(+) Net Profit/(Net Loss) For the current year	(1,14,59,53,244)	(9,85,12,864)
Closing Balance	(1,24,51,18,622)	(9,91,65,378)
Total	6,94,26,15,566	4,06,00,04,622



**RELIANCE CEMENT COMPANY PRIVATE LIMITED***Notes annexed to and forming part of the Financial Statements***2.3 Share Application Pending Allotment :**

As at March 31, 2015 share application money pending for allotment is Rs NIL (Rs 373,85,00,000).

**2.4 Long Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Secured (Refer Note below 1, 2 &amp; 3 )</b>		
Term loans from Bank	15,92,92,55,632	14,09,63,94,367
External Commercial Borrowings in Foreign Currency	2,41,87,50,000	2,33,66,84,999
<b>Unsecured</b>		
External Commercial Borrowings in Foreign Currency *	1,67,86,27,973	1,78,79,99,911
Subordinate Debt from Holding Company(Refer Note 4)	1,09,50,00,000	82,00,00,000
<b>Total (A)</b>	<b>21,12,16,33,605</b>	<b>19,04,10,79,277</b>
<b>Less: Current maturities</b>		
<b>Secured</b>		
Term loans from Bank	1,34,83,23,819	-
External Commercial Borrowings in Foreign Currency	28,92,85,714	1,79,74,500
<b>Unsecured</b>		
External Commercial Borrowings in Foreign Currency*	18,65,14,197	17,87,99,991
<b>Total (B)</b>	<b>1,82,41,23,730</b>	<b>19,67,74,491</b>
<b>Total (A-B)</b>	<b>19,29,75,09,875</b>	<b>18,84,43,04,786</b>

\* Holding Company has provided Corporate Guarantee for the External Commercial Borrowings

**Note:**

The details of security clause with respect to secured loans of Rs 1834.80 Cr (Rs 1643.31 Cr) taken are as follows: (Refer Note 2.36)

**1. For Rupee Term Loan of Rs 1258.44 Cr (Rs 1109.64 Cr) & ECB Loan of Rs 241.87 Cr (Rs 233.67 Cr) ,Including current maturities of Term Loan Rs 134.83 Cr(Rs Nil) and ECB Loan of Rs 28.93 Cr(Rs 1.80**

(a) A first mortgage charge on all the immovable assets of the Project, situated at Maihar & Gondvali (MP), Kundanganj (UP) both present and future, in such form and manner as may be required by Lead Banker.

(b) A first charge on all the Company's movable property of the Project, situated at Maihar & Gondvali (MP), Kundanganj (UP) both present and future, including movable plant and machinery, machinery spares, tools and accessories, fixtures, vehicles, mechanical and electrical equipments, mining machinery and all other movable fixed assets relating to the Project save and except book debts, in such form and manner as may be required by the Lenders subject to the second charges created or to be created over the Company's current assets as security in favour of the lenders providing working capital facilities to the Company in the ordinary course of business;

(c) Second charge on all the current asset of the project, situated at Maihar & Gondvali (MP), Kundanganj (UP) both current and future over which the working capital lenders shall have the first charge.

(d) Assignment or creation of charge in favour of the Lenders of (i) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearances for the Project; (iii) all the right title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the company in the Project Documents; (iv) all the bank accounts of Company pertaining to the Project including Capital Expenditure Account and Debt Service Reserve Account and (v) all Insurance Contracts/Insurance Proceeds pertaining to the Project.

(e) Negative Lien to the extent of 51% of the shares held by the promoters in the equity share capital of Company.

**2. For Term Loan of Rs. 150 Cr (Rs 300 Cr) ;**

(a) Residual charge over the immovable assets located at Butibori and Yavatmal (including freehold land), both present and future.

**RELIANCE CEMENT COMPANY PRIVATE LIMITED****Notes annexed to and forming part of the Financial Statements****3. For Rupee Term Loan of Rs 184.49 Crs (Rs.Nil)**

(a) A first mortgage charge on all the immovable assets of the Project, situated at Maihar & Gondvali (MP), Kundanganj (UP) both present and future, in such form and manner as may be required by Lenders.

(b) A first charge on all the Company's movable property of the Project, both present and future, including movable plant and machinery, machinery spares, tools and accessories, fixtures, vehicles, mechanical and electrical equipments, mining machinery and all other movable fixed assets relating to the Project, in such form and manner as may be required by the Lenders.

(c) A First charge by way of assignment (i) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in all Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time; (ii) all the right title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond provided by any party to the company in the Project Documents; (iii) all bank accounts including debt service reserve account to be established by the company and each of the other accounts required to be created by the company under any project document or contract.(iv) all Insurance Contracts/Insurance Proceeds pertaining to the Project.

(d) Negative Lien to the extent of 51% of the shares held by the promoters in the equity share capital of Company.

(e) Second charge on all the current asset of the project both current and future over which the working capital lenders shall have the first charge.

(f) The above security shall rank pari-passu with the lenders participating in this facilities and the lenders on the ECB facility to the extent of USD 38.70 Million (Equivalent to Rs 241.88 Crs as at 31 March,2015)

**4. For Subordinate Debt from Holding Company of Rs. 109.50 Cr (Rs 82.00 Cr) ;**

(a) These are 0% Unsecured Subordinate Debt from Holding Company (Reliance Infrastructure Limited).

**Maturity Profile Loans are as under;**

Particulars	UOM	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Rupee Term Loan from Bank (Secured)															
a. For Term Loan of Rs 1258.44 Cr	Rs/Cr	134.83	179.78	179.78	179.78	179.78	179.78	179.78	44.93						
b. For Term Loan of Rs 184.49 Cr	Rs/Cr			0.86	0.86	1.72	1.72	2.75	3.44	3.78	3.78	4.13	4.13	4.13	153.10
c. For Term Loan of Rs. 150 Cr*	Rs/Cr								75.00	75.00					
ECB Loan US\$ 24.00 mn (Secured)	US\$ mn	3.43	3.43	3.43	3.43	3.43	3.43	3.43							
ECB Loan US\$ 14.70 mn (Secured)	US\$ mn	1.20	1.20	1.50	2.18	4.58	4.05								
ECB Loan US\$ 26.86 mn (Unsecured)	US\$ mn	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98					

\*Bank and Holding Company has right to opt for purchase of Loan after 3.5 years from date of drawdown and every year thereafter (Option Date)

**2.5 Long Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Provision for employee benefits		
Gratuity	40,015	6,93,525
Leave Encashment (unfunded)	4,57,44,384	2,89,63,839
<b>Total</b>	<b>4,57,84,399</b>	<b>2,96,57,364</b>



## 2.6 Short Term Borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Secured</b>		
Working Capital Loans from banks	7,97,81,382	-
Buyers' Credit from Banks in Foreign Currency*	2,13,45,20,237	2,43,39,60,599
<b>Total</b>	<b>2,21,43,01,619</b>	<b>2,43,39,60,599</b>

\*Amount is earmark out of the rupee term loan availed from consortium of banks against first mortgage charge on all the immovable assets of the Project, situated at Maihar & Gondvali (MP) and Kundanganj (UP) both present and future, in such form and manner as may be required by Lead Banker and second charge on all the current assets of the Project situated at Maihar & Gondvali (MP) and Kundanganj (UP) both present and future.

## 2.7 Trade Payable

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Due to Micro, Small & Medium Enterprises*	4,00,130	-
(To the extend Identified with available information)		
Due to Others	83,72,41,186	2,31,33,308
<b>Total</b>	<b>83,76,41,316</b>	<b>2,31,33,308</b>

\* Based on the information available with the Company regarding the status of suppliers as defined

## 2.8 Other Current Liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Current maturities of long-term debt(Ref Note 2.4)	1,82,41,23,730	19,67,74,491
Interest accrued but not due on borrowings	2,18,58,670	1,80,26,556
Advances from Customers	31,26,57,898	1,63,45,695
Creditors for Capital Expenditures	3,75,94,690	24,75,98,144
Creditors for Other	-	-
Security Deposit from Customer	61,20,94,947	24,81,64,858
Security Deposit - Others	3,96,13,139	2,59,49,139
Retention Money Payables for Capex	11,15,60,544	13,37,28,755
Statutory Liabilities Payable	15,79,09,412	3,50,40,268
Provisions for Materials / Expenses	1,54,04,83,778	75,15,60,694
Others Payable	1,58,97,688	91,84,112
<b>Total</b>	<b>4,67,37,94,496</b>	<b>1,68,23,72,712</b>

## 2.9 Short Term Provisions

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Provision for employee benefits		
Leave Encashment (unfunded)	60,82,667	31,61,915
Provision for taxes (net of Advance tax)	-	-
<b>Total</b>	<b>60,82,667</b>	<b>31,61,915</b>



# RELINCE CEMENT COMPANY PRIVATE LIMITED

Notes annexed to and forming part of the Financial Statements

## 2.10 : FIXED ASSETS

		GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK	
Particulars		As at April 1, 2014	Additions	Deductions / Adjustments	As at March 31, 2015	As at April 1, 2014	For the year	Deductions / Adjustments	As at March 31, 2015	As at March 31, 2014
<b>A 2.10.1 : Tangible Assets</b>										
	Lease Hold Land	18,80,63,630	-	-	18,80,63,630	13,96,943	13,89,959	-	27,86,902	18,52,76,728
	Freehold Land*	1,81,52,80,187	44,24,47,079	60,000	2,25,76,67,266	-	-	-	-	2,25,76,67,266
	Building & Roads**	46,85,05,668	3,62,01,60,555	-	4,08,86,66,223	1,69,32,169	7,51,35,066	-	9,20,67,235	3,99,65,98,988
	Plant and Machinery***	84,18,63,777	17,43,63,55,609	49,428	18,27,81,69,958	5,61,80,029	32,96,06,691	1,053	38,57,85,667	17,89,23,84,291
	Railway Slidings	-	60,07,13,314	-	60,07,13,314	-	1,14,66,191	-	1,14,66,191	58,92,47,123
	Electrical Installations	23,46,54,622	2,54,70,21,257	-	2,78,16,75,879	1,48,64,032	9,73,71,965	-	11,22,35,997	2,66,94,39,882
	Office Equipment	82,54,407	1,34,84,755	62,390	2,16,76,772	13,48,518	34,03,612	13,828	47,38,302	1,69,38,470
	Computer & Peripheral	20,06,38,934	1,03,50,509	1,70,688	21,08,18,755	1,28,48,346	1,24,11,196	74,038	2,51,85,503	18,56,33,252
	Furniture & Fixtures	1,72,89,729	1,28,37,833	45,460	3,00,82,101	38,25,570	19,84,087	33,795	57,75,862	2,43,06,239
	Motor Vehicle	1,80,75,563	1,76,36,484	-	3,57,12,047	38,70,645	34,25,187	-	72,95,832	2,84,16,215
	<b>Total (A)</b>	<b>3,79,26,26,517</b>	<b>24,70,10,07,395</b>	<b>3,87,967</b>	<b>28,49,32,45,945</b>	<b>11,12,66,252</b>	<b>53,61,93,954</b>	<b>1,22,714</b>	<b>64,73,37,491</b>	<b>27,84,59,08,454</b>
<b>B 2.10.2 : Intangible Assets</b>										
	Softwares	1,71,84,309	16,17,668	-	1,88,01,977	67,37,424	45,78,969	-	1,13,16,392	74,85,585
	<b>Total (B)</b>	<b>1,71,84,309</b>	<b>16,17,668</b>	<b>-</b>	<b>1,88,01,977</b>	<b>67,37,424</b>	<b>45,78,969</b>	<b>-</b>	<b>1,13,16,392</b>	<b>74,85,585</b>
	<b>Total (A+B)</b>	<b>3,80,98,10,826</b>	<b>24,70,26,25,062</b>	<b>3,87,967</b>	<b>28,51,20,47,922</b>	<b>11,80,03,675</b>	<b>54,07,72,922</b>	<b>1,22,714</b>	<b>65,86,53,883</b>	<b>27,85,33,94,039</b>
	<b>Previous Year</b>	<b>2,16,80,61,447</b>	<b>1,64,66,64,401</b>	<b>49,15,023</b>	<b>3,80,98,10,826</b>	<b>2,81,08,647</b>	<b>9,16,66,855</b>	<b>17,71,826</b>	<b>3,69,18,07,150</b>	<b>2,13,99,52,800</b>

\* Stale cheque of Rs 60000/- is credit back to the relevant asset

\*\* Rs 52,63,246/- (Rs Nil) being the cost of roads constructed by under PMGSY and Rs 4,34,055/- (Rs Nil) being depreciation thereon upto 31st March 2015

\*\*\* Rs 48928/- is an adjustment on account of rectification of Excise/Custom duty credit which was earlier capitalized wrongly along with the cost of the asset. The amount so debited has been transferred to Cenvat Credit receivable account (RG23C account) to avail the excise/custom duty credit & availed subsequently and Rs 500 is excess provision made in the asset account reversed.

**RELIANCE CEMENT COMPANY PRIVATE LIMITED***Notes annexed to and forming part of the Financial Statements***2.11 Investments**

Particulars	No. of shares/ Units	Face Value per Unit (Rs)	As at March 31, 2015	As at March 31, 2014
			Amount in Rs.	Amount in Rs.
<b>(A) Non-Current Investments ( Non- trade)</b>				
<b>(a) Investment in Equity Instruments</b> <i>(Fully Paid-up, unless otherwise stated)</i>				
<b>Subsidiary Companies</b>				
<b>Unquoted</b>				
Reliance Concrete Private Limited	20000 (10000)	10	2,00,000	1,00,000
			<b>2,00,000</b>	<b>1,00,000</b>

**RELIANCE CEMENT COMPANY PRIVATE LIMITED***Notes annexed to and forming part of the Financial Statements***2.12 Long Term Loans and Advances**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Secured, considered good</b>		
Loans to Employees	34,02,172	37,31,286
<b>Unsecured, considered good</b>		
Deposits	10,14,09,897	7,10,51,651
Capital Advance	2,25,19,279	2,23,75,447
Balances with government authorities	11,49,854	4,99,797
Loans and advances -Employees	8,44,185	2,90,934
<b>Total</b>	<b>12,93,25,387</b>	<b>9,79,49,115</b>

**2.13 Deferred Tax Assets (Net)**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Deferred Tax Asset</b>		
Carry Forward of Losses	19,88,76,500	45,11,300
Carry Forward of Depreciation	1,38,43,32,300	12,98,85,600
<b>Total Deferred Tax Asset(A)</b>	<b>1,58,32,08,800</b>	<b>13,43,96,900</b>
<b>Deferred Tax Liability</b>		
Relating to Fixed Assets	1,27,56,77,300	10,70,38,000
<b>Total Deferred Tax Liability(B)</b>	<b>1,27,56,77,300</b>	<b>10,70,38,000</b>
<b>Deferred Tax Asset (A-B)</b>	<b>30,75,31,500</b>	<b>2,73,58,900</b>
As a matter of prudence, company has recognised deferred tax asset only to the extent of net deferred tax liability		

**2.14 Inventories**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Raw Materials	8,16,24,345	1,53,26,361
Work In Progress	16,78,72,433	14,02,64,977
Finished Goods	15,41,15,859	3,99,01,807
Traded Goods	17,54,301	-
Stores & Spares	51,42,47,422	24,35,19,081
Fuel	9,20,46,608	5,49,61,011
Packing Material	2,18,38,655	29,14,726
<b>Total</b>	<b>1,03,34,99,623</b>	<b>49,68,87,963</b>



**RELIANCE CEMENT COMPANY PRIVATE LIMITED**
*Notes annexed to and forming part of the Financial Statements*
**2.15 Trade Receivables**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>		
Secured, considered good	9,57,83,856	1,97,55,459
Unsecured, considered good	19,49,70,151	1,10,46,978
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	29,07,54,007	3,08,02,438
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>		
Secured, considered good	1,793	1,88,265
Unsecured, considered good	37,38,145	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	37,39,938	1,88,265
<b>Total</b>	<b>29,44,93,945</b>	<b>3,09,90,703</b>

**2.16 Cash and Cash Equivalents**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Current accounts with Scheduled Banks*	31,77,86,690	34,33,05,225
Cash on hand	4,36,201	6,35,016
Cheques on hand	-	2,00,532
<b>Total</b>	<b>31,82,22,891</b>	<b>34,41,40,773</b>

\* Includes Rs 1,53,04,655 (Rs 65,50,000) towards Fixed Deposit given for Guarantees {Refer Note 2.26} and Rs 1,85,750 (Rs 1,85,750) towards Fixed deposit given for other Commitments

**2.17 Short-term loans and advances  
(Unsecured, considered good)**

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Loans and advances -Employees	16,97,946	9,88,635
Advances recoverable in cash or in kind or for value to be received - Considered Good	4,64,94,487	3,30,52,377
Advance to Vendor's	17,68,05,661	25,93,321
Balances with government authorities	1,02,15,24,930	93,39,87,587
Deposits Paid	1,26,53,600	2,79,000
Advance Income tax (net of provision)	41,16,493	14,19,930
Share Application Money Pending for Allotment	-	1,00,000
<b>Total</b>	<b>1,26,32,93,117</b>	<b>97,24,20,850</b>

**2.18 Other Current Assets**

Other Current Assets	As at March 31, 2015	As at March 31, 2014
	Amount in Rs.	Amount in Rs.
Other Receivables	-	81,29,114
<b>Total</b>	<b>-</b>	<b>81,29,114</b>

**RELIANCE CEMENT COMPANY PRIVATE LIMITED**
*Notes annexed to and forming part of the Financial Statements*
**2.19 Revenue from operations**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Sale of products (Refer Note (i) below)	5,86,53,01,861	81,92,80,901
Other operating revenues (Refer Note (ii) below)	11,38,56,357	5,28,543
	<b>5,97,91,58,218</b>	<b>81,98,09,444</b>
Less:		
Excise duty	79,09,74,306	10,23,40,502
<b>Total</b>	<b>5,18,81,83,912</b>	<b>71,74,68,942</b>
<b>Revenue from operations (Contd...)</b>		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Note (i)</b>		
Sale of products comprises		
Finished Goods (Cement)	5,28,77,43,508	79,99,18,034
Clinker	27,95,53,003	-
Traded Goods	29,80,05,350	1,93,62,867
<b>Total - Sale of products</b>	<b>5,86,53,01,861</b>	<b>81,92,80,901</b>
<b>Note (ii)</b>		
Other operating revenues		
Sale of scrap	17,98,949	5,28,543
Insurance Claim	56,17,921	-
Unclaimed Credit Balances written back	14,19,907	-
Miscellaneous Income / Receipts (Refer note 2.37)	10,50,19,580	-
<b>Total</b>	<b>11,38,56,357</b>	<b>5,28,543</b>

**2.20 Other income**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Interest from banks deposits	1,90,23,229	11,719
Interest income from long term Deposits	39,46,063	7,21,043
Net gain on Foreign Currency Translations or Transactions	20,15,89,222	-
Misc Income	68,67,064	1,14,884
<b>Total</b>	<b>23,14,25,578</b>	<b>8,47,646</b>

**2.21a Cost of materials consumed**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Opening stock	1,22,86,928	-
Add: Trail Run Inventory	14,33,04,410	6,51,70,647
Add: Purchases & Incidental Expenses	1,05,84,29,930	35,37,47,562
	<b>1,21,40,21,268</b>	<b>41,89,18,209</b>
Less: Closing stock	24,94,96,778	1,22,86,928
<b>Total Cost of materials consumed</b>	<b>1,15,23,35,370</b>	<b>40,66,31,281</b>
<b>Details of cost of materials consumed</b>		
Clinker	-	35,37,96,162
Flyash	15,88,95,623	1,18,20,481
GYPSUM	15,92,31,990	1,87,23,955
Limestone	51,09,67,716	-
Others	32,32,40,041	2,22,90,683
<b>Total</b>	<b>1,15,23,35,370</b>	<b>40,66,31,281</b>



**RELIANCE CEMENT COMPANY PRIVATE LIMITED***Notes annexed to and forming part of the Financial Statements***2.21b Purchase of traded goods**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Purchase of Trading Material	23,68,64,938	2,03,57,622
<b>Total</b>	<b>23,68,64,938</b>	<b>2,03,57,622</b>

**2.21c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
<u>Inventories at the end of the period</u>		
Finished goods	15,41,15,859	2,54,06,523
Work in Progress	16,78,72,433	-
Stock-in-trade	17,54,301	-
	<b>32,37,42,593</b>	<b>2,54,06,523</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,54,06,523	-
Work in Progress	-	-
Stock-in-trade	-	-
	<b>2,54,06,523</b>	<b>-</b>
<b>Net (increase) / decrease</b>	<b>(29,83,36,070)</b>	<b>(2,54,06,523)</b>

**2.22 Employee Benefit Expense :**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Salaries, wages and bonus	35,69,14,396	3,63,41,544
Contributions to provident and other funds	1,37,29,418	11,77,611
Gratuity & Leave Encashment		
Staff welfare expenses	1,87,90,989	20,75,445
<b>Total</b>	<b>38,94,34,803</b>	<b>3,95,94,600</b>

**2.23 Other Expenses :**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
<b>Administrative &amp; Other Expenses</b>		
Contractor's Wages	5,82,31,533	46,13,255
Consumption of stores and spares parts	8,98,96,261	38,35,160
Consumption of packing materials	24,29,54,019	3,99,80,343
Advertisement Expenses	5,62,15,191	71,59,831
Insurance	1,17,12,630	14,67,512
Rent	3,60,69,128	9,47,295
Rates & Taxes	57,99,692	19,750
Repairs and maintenance - Buildings	39,26,197	1,10,033
Repairs and maintenance - Machinery	1,73,28,898	16,33,981
Repairs and maintenance - Others	5,07,21,747	41,24,342
Excise duty variation on opening / closing stock	1,94,62,085	42,40,706
Legal and professional	1,11,23,511	48,22,841
Loss on Sale of Assets	1,11,213	1,59,401
Payments to auditors	5,94,907	-
Discount, Sales Promotion and Other Selling Expenses	48,82,98,661	7,74,49,286
Miscellaneous expenses	7,27,14,192	1,12,54,683
<b>Total</b>	<b>1,16,51,59,865</b>	<b>16,18,18,419</b>

**RELIANCE CEMENT COMPANY PRIVATE LIMITED***Notes annexed to and forming part of the Financial Statements***Other expenses (contd.)****Notes: (i)**

Particulars	Year ended March 31, 2015	For the Year ended 31 March 2013
	Amount in Rs.	Amount in Rs.
(Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	5,00,000	-
For Certification	41,626	-
Reimbursement of expenses	53,281	-
<b>Total</b>	<b>5,94,907</b>	<b>-</b>

**2.24 Finance Cost :**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Interest Expenses & Others	99,80,05,394	22,09,745
<b>Total</b>	<b>99,80,05,394</b>	<b>22,09,745</b>

**2.25 Earnings Per Equity Share :**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount in Rs.	Amount in Rs.
Profit for Basic and Diluted Earnings per Share (a)	(1,14,59,53,244)	(9,85,12,864)
Weighted average number of Equity Shares -		
For Basic Earnings per share (b)	12,75,66,591	6,83,23,000
For Diluted Earnings per share (c)	11,44,37,752	6,83,23,000
Earnings per share (face value of Rs 10 per share)		
Basic (a/b)	(8.98)	(1.44)
Diluted (a/c)	(10.01)	(1.44)



## Reliance Cement Company Private Limited

### Notes forming part of the Financial Statements

#### Significant Accounting Policies and Notes to Accounts for the year ended 31st March, 2015

##### BACKGROUND OF THE COMPANY

**Reliance Cement Company Private Limited** ("the Company") is a private limited Company incorporated on the August 24, 2007 under the Companies Act 1956 with the object of carrying on business of manufacturers of all types and kinds of cements ordinary, white, colored, Portland, Pozzolana Aluminum, Blast furnace, Silica, and all other varieties of cements, lime and limestone, clinkers and/or by-products thereof. The Company is a subsidiary of Reliance Infrastructure Limited, a Company incorporated in India. To achieve this objective Company has set up a fully Integrated Cement unit at Maihar (Madhya Pradesh) and Grinding Unit at Butibori (Maharashtra) & Kundanganj (Uttar Pradesh).

The Company is in the process of setting up a fully integrated Cement unit at Mukutban (Maharashtra) and Blending unit at Gondvali (Madhya Pradesh).

During the captioned financial year 2014-15, Company has successfully

- a) Commenced its commercial operations at integrated unit at Maihar (Madhya Pradesh) & grinding unit at Kundanganj (Uttar Pradesh).
- b) Won the bid of Sial Ghogri Coal Mine situated at Chindwara district of Madhya Pradesh, through auction conducted by Government of India. It is expected to have an extractable reserve of 5.69 Million Ton. The mine has an estimated life of 19 years with a production capacity of 0.3 MTPA. The mine would be captive for company's integrated unit at Maihar. The allotment of this asset will reduce the Company's dependency on market coal and enhance the financial viability as well as operational efficiency of the plant due to predictability of quality of coal.

#### 1. Significant Accounting Policies

##### 1.1 **Basis of preparation of financial statements:**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

##### 1.2 **Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### 1.3 **Revenue Recognition Policy:**

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

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Gross sales are net of Sales Tax, VAT, trade discounts, rebates and returns but include excise duty. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.



## Notes forming part of the Financial Statements

Revenue from services is recognised as they are rendered based on terms of the agreements / arrangements with the concerned parties and are recognised net of Service Tax.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

### 1.4 Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items (assets and liabilities) are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognised in the Statement of Profit and Loss except in case of gains or losses arising on long term foreign currency monetary items, the accounting treatment for which is as under:

In accordance with Govt. of India, Ministry of Corporate affairs notification (GSR No.914(E) dated December 29,2011) in respect of accounting year commencing on or after April 1, 2011, the Company has exercised the option whereby the foreign exchange gains / losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortized over the remaining life of the concerned monetary item.

### 1.5 Fixed Assets:

#### Tangible Assets

Fixed assets are stated at cost net of recoverable taxes, less accumulated depreciation. Cost comprises of cost of acquisition or construction including borrowing costs attributable for bringing the assets to their intended use.

All project related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under Capital Work-In-Progress (CWIP). These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

#### Intangible Assets

Intangible Assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

### 1.6 Depreciation / Amortisation:

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.



Notes forming part of the Financial Statements

**Useful lives / depreciation rates**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has estimated / re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. This change in accounting policy did not have any material impact on financial statements of the company

**Depreciation on assets costing less than Rs 5,000/-**

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs 5,000/- did not have any material impact on financial statements of the company for the current year.

**Component Accounting**

As specified by Schedule II of the Companies Act, 2013, the company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. The carrying amount of components, whose remaining useful life is not nil on 1 April 2014, is depreciated over their remaining useful life.

**1.7 Borrowing Cost:**

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**1.8 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are recognized at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



**Notes forming part of the Financial Statements**

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit or Loss.

**1.9 Inventories:**

Inventories are valued as follows:

**Raw material, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

**Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**

Valued at lower of cost and NRV. Finished goods and WIP cost includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**1.10 Retirement Benefits:**

Contribution to defined contribution schemes such as provident fund, superannuation funds etc. are charged to the Profit and Loss Account / Capital Work-in-Progress, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss Account / Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the Balance Sheet date, made by independent actuaries.

**1.11 Taxation:**

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

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

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the



## Notes forming part of the Financial Statements

recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-tax during the specified period.

### 1.12 Provisions:

Provisions are recognized when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

### 1.13 Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. The company does not recognize a contingent liability but discloses its existence in the financial assets. Contingent assets are neither recognized nor disclosed in the financial statements.

### 1.14 Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

### 1.15 Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of Cash Flow Statement comprise of cash on hand and demand deposit with bank.

### 1.16 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the year. The weighted-average number of equity shares outstanding during the year and for all years presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## Reliance Cement Company Private Limited

### Notes forming part of the Financial Statements

#### 2.26 Capital Commitments:

Estimated amount of contracts remaining unexecuted on Capital Account and not provided for: Rs 450.63 Crores (P.Y. Rs. 162.53 Crores).

#### 2.27 Contingent Liabilities:

Description	As at 31 March 2015 Amount in Rs.	As at 31 March 2014 Amount in Rs.
Bank Guarantee issue *	553,143,630	6,550,000

\*Fixed deposit placed for issuing the bank Guarantee is Rs 1,53,04,655 (Rs 65,50,000)

2.28 In the opinion of the management, Loans & Advances are approximately of the value stated in the books of accounts, if realized in the ordinary course of business and adequate provision has been made in the accounts in respect of all known liabilities.

#### 2.29 Details of Remuneration to Auditors:

Description	2014-15 Amount in Rs.	2013-14 Amount in Rs.
Statutory Audit Fees *	561,800	561,800
Certification fees *	83,427	87,115
Reimbursement of Expenses	53,281	5,618
<b>Grand Total</b>	<b>698,508</b>	<b>654,533</b>

\* Service Tax Included

#### 2.30 Expenditure in Foreign Currency (accrual basis) :

Nature of Expenditure	2014-15 Amount in Rs.	2013-14 Amount in Rs.
Interest and other Finance Charges	183,599,237	155,514,442
Others	520,007	29,690

#### 2.31 Retirement Benefits:

The Company has adopted Accounting Standard 15 (revised 2005) "Employee Benefits". The Company has classified various employee benefits as under:

##### (A) Defined Contribution Plans

- Provident fund
- Super-annuation Fund
- State defined contribution plan
- Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and State defined contribution plan are operated by Regional Provident Fund Commissioner and the Superannuation Fund is administered by the Trustees of the Reliance Life Insurance Company Limited. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.



# Reliance Cement Company Private Limited

## Notes forming part of the Financial Statements

The Company has recognized the following amounts in the Statement of Profit & Loss / Capital Work in Progress for the year:

S.N.	Particulars	Year ended March 31, 2015 (Amount in Rs)	Year ended March 31, 2014 (Amount in Rs)
1	Contribution to Provident Fund	21,968,870	17,691,152
2	Contribution to Employee's Superannuation Fund	2,185,832	2,392,542
3	Contribution to Pension Scheme	6,824,968	2,475,068

### (B) Defined Benefit Plans:

- Gratuity
- Leave Encashment

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

S.N.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
(i)	Discount Rate (P.A.)	7.85%	8.90%	7.85%	8.90%
(ii)	Rate of increase in Compensation levels (P.A.)	7.50%	7.50%	7.50%	7.50%
(iii)	Rate of Return on Plan Assets (P.A.)	8.25%	8.25%	0.00%	0.00%

Amount in Rs.

		Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
(i)	<b>Changes in present value of obligation</b>				
	Opening Balance of Present Value of Obligation	22,787,318	15,573,805	32,125,754	25,071,668
	Liability assumed on acquisition	Nil	Nil	Nil	Nil
	Interest Cost	2,814,123	1,758,705	4,260,425	2,852,730
	Current Service Cost	9,429,608	6,615,600	17,325,146	13,309,582
	Actuarial (Gains) / Loss	5,670,418	(483,389)	3,310,438	(2,209,300)
	Benefits Paid	(440,009)	(677,403)	(5,194,712)	(6,898,926)
	Closing Balance of Present Value of Obligation	<b>40,261,458</b>	22,787,318	<b>51,827,051</b>	32,125,754
(ii)	<b>Changes in Fair Value of plan assets</b>				
	Opening Balance of Present Value of Plan Assets	22,093,793	15,522,459	NIL	NIL
	Assets acquired on acquisition	NIL	NIL	NIL	NIL
	Expected return on Plan assets	1,814,688	1,280,603	NIL	NIL
	Contribution by Employer	16,340,009	7,177,403	5,194,712	6,898,926
	Actuarial Gain / (Loss) on Plan assets	412,962	(1,209,269)	NIL	NIL
	Benefits Paid	(440,009)	(677,403)	(5,194,712)	(6,898,926)
	Closing Balance of Fair Value of Plan Assets	40,221,443	22,093,793	NIL	NIL
(iii)	<b>Percentage of each category of Plan assets to total fair value of Plan assets as at March 31 2015</b>				
	Administered by Reliance Life Insurance Company Limited	100%	100%	NIL	NIL

INDIAN DISTRICT GUPTA & ASSOCIATES  
MUMBAI  
CELL: 110730W

CEMENT COMPANY



## Reliance Cement Company Private Limited

### Notes forming part of the Financial Statements

<b>(iv)</b>	<b>Amounts recognized in the Balance Sheet</b>				
	Closing Balance of Present Value of Obligation	40,261,458	22,787,318	51,827,051	32,125,754
	Closing Balance of Fair Value of Plan Assets net of pending transfers	(40,221,443)	(22,093,793)	NIL	NIL
	(Asset) / Liability recognized in the Balance Sheet	<b>40,015</b>	693,525	<b>51,827,051</b>	32,125,754
<b>(v)</b>	<b>Expenses recognized in the Profit &amp; Loss Account / Capital Work in Progress</b>				
	Current Service Cost	9,429,608	6,615,600	17,325,146	13,309,582
	Interest Cost	2,814,123	1,758,705	4,260,425	2,852,730
	Expected Return on Plan Assets	(1,814,688)	(1,280,603)	NIL	NIL
	Net Actuarial (Gain) / Loss	5,257,456	725,880	3,310,438	(2,209,300)
	Total Expenses recognized in the Profit & Loss account / Capital Work in Progress	<b>15,686,499</b>	7,819,582	<b>24,896,009</b>	13,953,012
<b>(vi)</b>	<b>Experience adjustments</b>				
	Defined Benefit Obligation	40,261,458	22,787,318	51,827,051	32,125,754
	Plan Assets	40,221,443	22,093,793	NIL	NIL
	Surplus/ (Deficit)	(40,015)	(693,525)	(51,827,051)	(32,125,754)
	Experience adjustment on Plan Liabilities	1,707,037	1,738,368	(1,086,686)	386,406
	Experience adjustment on Plan Assets	412,962	(1,209,269)	NIL	NIL
<b>(vii)</b>	<b>Expected Employer's Contribution Next year</b>	5,000,000	1,000,000	6,082,667	3,161,915

### 2.32 Related Party Disclosure:

As per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, the Company's Related Party and transactions are discussed below:

(a) Holding Company: Reliance Infrastructure Limited

(b) Parties where control exists:

Subsidiaries Companies:

1. Reliance Cement Corporation Private Limited (up to 26<sup>th</sup> Sept, 2013)
2. Reliance Cement Works Private limited (up to 25<sup>th</sup> June, 2013)
3. Reliance Concrete Private Limited

(c) Other Related Parties with whom transactions have taken place during the year:

- I. Individual owning, directly or indirectly, an interest in the voting power that gives them control or significant influence ---- Shri. Anil D. Ambani
- II. Enterprise over which person described in (I) has significant influence;
  1. Reliance Infocomm Infrastructure Private Limited
  2. Reliance General Insurance Company Limited



# Reliance Cement Company Private Limited

## Notes forming part of the Financial Statements

### Details of transactions and closing balance during the year:

(Amount in Rs.)

Particulars	Holding Company		Subsidiaries		Others	
	For the year ended 31/03/2015	For the year ended 31/03/2014	For the year ended 31/03/2015	For the year ended 31/03/2014	For the year ended 31/03/2015	For the year ended 31/03/2014
<b>Transactions during the year</b>						
Insurance Premium Paid	-	-	-	-	2,70,99,622	2,13,56,912
Rent	-	-	-	-	1,65,50,234	1,68,53,432
Fixed Assets Purchased	-	14,95,20,787	-	-	-	-
Reimbursement of Expenses	2,26,45,523	1,15,15,463	-	-	-	-
Sales of Cement	7,60,55,292	1,06,85,165	-	-	-	-
Sub-ordinate Debt	27,50,00,000	20,00,00,000	-	-	-	-
Sale of Shares	-	10,00,000	-	-	-	-
Share Application Money Received	462,10,00,098	373,85,00,000	-	-	-	-
Share Application Money Paid	-	-	-	1,00,000	-	-
Purchase of Fly Ash	4,19,86,711	2,40,26,748	-	-	-	-

<b>Balance Sheet Heads (Closing Balances):</b>						
Sub-ordinate Debt	109,50,00,000	82,00,00,000	-	-	-	-
Investment	-	-	2,00,000	1,00,000	-	-
Trade Payable, Advance received and other liabilities for receiving of services on revenue and capital account	6,31,14,520	4,84,71,918	-	-	-	-
Trade Receivable	5,86,77,023	6,41,194	-	-	-	-
Other Payables	-	-	-	-	3,03,92,164	1,53,43,508

Note: The above disclosure does not include transactions with / as public utility service providers, viz, electricity, telecommunications, in the normal course of business.

2.33 The Company is in the business of Cement manufacturing, hence there are no separate reportable segments as specified in Accounting Standard 17 on 'Segment Reporting' as prescribed under the Companies (Accounting Standards) Rules, 2006.

### 2.34 CIF Value of Imports:

Particulars	2014-15 Amount in Rs.	2013-14 Amount in Rs.
Stores & Spares	1,83,69,651	-
Packing Materials	-	25,15,237
Capital Goods	91,30,348	53,22,15,752

Notes forming part of the Financial Statements

2.35 Traded Goods:

Particulars	2014-15 Amount in Rs.	2013-14 Amount in Rs.
Purchase – Fly Ash	2,703,318	20,357,622
Sale – Fly Ash	2,572,722	19,362,867
Purchase - Cement	234,161,620	-
Sale - Cement	295,432,628	-

2.36 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts payable in foreign currency on account of the following:	Currency	As at 31.03.2015		As at 31.03.2014	
		Foreign Currency Equivalent	INR Equivalent	Foreign Currency Equivalent	INR Equivalent
Buyers' Credit from Banks in Foreign Currency	USD	11,186,878	699,179,867	11,142,613	667,609,674
	Euro	21,362,411	1,435,340,370	21,362,411	1,766,350,925
External Commercial Borrowing	USD	65,558,048	4,097,377,973	68,842,275	4,124,684,910
Interest and commitment charges payable	USD	269,875	16,867,166	272,683	16,337,795
	Euro	15,899	1,068,254	21,717	1,795,705

2.37 During the year company has approached for refinancing of the existing loans from other banks for repayment of existing term loans from the present bankers. The refinanced term loan shall be paid over a period of 15 years.

2.38 The Company has set up a new unit at Maihar in Satna district of Madhya Pradesh. The said unit is covered under Madhya Pradesh Industrial Investment Promotion Policy (2010) & the company is entitled for 75% Industrial promotion assistance for Backward "A" district of Madhya Pradesh, after adjusting input tax rebate on the amount of Commercial Taxes and Central Tax Deposits, subject to prescribed limits & the said income is grouped under revenue from operations.

2.39 In compliance with the Accounting Standard 15, an amount of Rs.34,313,216/- towards Gratuity & Rs.45,054,259/- towards leave encashment pertaining to period under construction has been capitalised / charged to CWIP.

2.40 The figures in respect of the previous year are confirmed to the current year's presentation. The figures are grouped / rearranged wherever necessary to

**For Bhandari Dastur Gupta & Associates**  
Chartered Accountants  
Firm Registration No.: 119739W

**Sunil Bhandari**  
Partner  
Membership No 047981

**For and on behalf of the Board of Directors**

**Atul Desai**  
Director

**Darshan Lal**  
Director

Place: Navi Mumbai  
Date: May 16, 2015

**S.N.Moondra** **Ganesan T.V**  
Chief Financial Officer Company Secretary