

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Saturday, 21st day of September, 2013 at 5:00 p.m. at The Porbandar District Chamber's Office, Amalani Complex, Porbandar-360575 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profits & Loss Account for the financial year ended on 31st March, 2013 and Balance Sheet as at that date and Report of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Dwarkadas Keshavji Raichura who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anil Karia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting and to authorise the Board of Directors to fix their remuneration. In this context, to consider and if thought fit to pass with or without modifications following as an ordinary resolution.

"RESOLVED that M/s. Kamlesh Takwani & Co. Chartered Accountants (ICAI Registration No 112282) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company."

Date : 30/05/ 2013

On behalf of the Board

Place: Porbandar

D. K. Raichura
Chairman

Notes :

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company. All valid proxies must be deposited at the Regd. Office of the company at least 48 hours before the commencement of the meeting.
- 2) Members are requested to immediately notify change in their address, if any, to the Company at its Registered office, quoting their Folio Numbers(s).
- 3) Members are requested to bring their copies of Annual Report to the meeting.
- 4) Register of members and share transfer books of the company will remain closed from 17/9/2013 to 21/09/2013(both days inclusive).

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended on 31 March,2013

Particulars	Financial Year	
	2012-13	2011-12
Sales And Other Income	4342.69	3096.86
Gross Profit	761.51	399.05
Less :		
Depreciation	110.88	114.53
Finance Charges	498.78	256.41
Profit / (Loss) before exceptional and Extraordinary items and tax	151.85	28.10
Exceptional Items	0.00	0.00
Profit / (Loss) before Extraordinary Items & Tax	151.85	28.10
Extraordinary Items	0.00	0.00
Profit / (Loss) before Tax	151.85	28.10
Tax Expenses	32.80	8.79
Profit / (Loss) After Tax	119.05	19.32
Balance Brought Forward from previous Year	311.55	304.75
Balance Available for appropriation	430.60	324.07
Proposed Dividend	46.01	9.20
Tax on Dividend	6.90	1.38
Transfer to Reserves	11.91	1.93
Balance carried to balance Sheet	365.78	311.55

DIVIDEND:

Based on the Companies performance, The Directors are pleased to recommend for approval of the members Dividend of Rs. 0.50/- per share for the year 2012-13, subject to the approval of the members at the ensuing Annual General Meeting.

OPERATIONS:

Your directors are pleased to inform you that performance of the company during the year of operation remained satisfactory. The profitability and operations of the Company has increased due to efficient management of the Company's resources including human resources at all levels.

During the year under the review, Revenue from operations has increased to Rs. 4342.69 lacs over previous year figures of Rs. 3096.86 lacs. Profit Before Tax has increased to Rs. 151.85 Lacs over Previous Year Figure of Rs. 28.10 Lacs. Profit after Tax has increased to Rs. 119.05 Lacs over Previous Year Figure of Rs. 19.32 Lacs.

Your directors are optimistic of achieving better results in the coming years.

INSURANCE:

The company has taken sufficient insurance for the properties against risks of fire, strike, riot and earthquake.

DIRECTORS:

Mr. Dwarkadas Keshavji Raichura and Mr. Anil Karia, directors of the company, retires by rotation and being eligible offers themselves for reappointment.

PARTICULARS OF EMPLOYEES:

The Company has no employee drawing total remuneration of Rs.60,00,000/- per annum or Rs.5,00,000/- per month as required U/S 217 (2A) of the Companies Act, 1956.

FIXED DEPOSITS:

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of balance sheet.

DIRECTORS' RESPONSIBILITY STATEMENT -SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

The Board of Directors states:

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) that the Directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 read with the Provisions of Section 217 (1) (e) of The Companies Act, 1956 is annexed herewith forming part of this report.

CORPORATE GOVERNANCE:

Your directors are pleased to inform you during the year provisions relating to the Corporate Governance as per listing Agreement has become applicable and has complied with the various requirements a report along with certificate is attached forming part of this report.

AUDITORS:

M/s Kamlesh Takwani & Associates, Chartered Accountants, Porbandar, who were appointed during the year as statutory auditors retire at the end of ensuing Annual general meeting and being eligible, offer themselves for reappointment.

AUDITORS REPORT AND COMMENTS:

The contents and notes in the auditors report are self-explanatory and needs no explanation.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the support extended by Bankers and Office bearers of Government Department and Financial Institutions. Your Directors also place on record their deep appreciation of the services rendered by the Officers, staff and workers of the company at all levels. Your Directors also acknowledge the continued invaluable support extended by you - our shareholders- and the confidence that you have placed in the company.

Place: Porbandar

For & on behalf of the Board

Date: 30/05/2013

D. K. Raichur
Chairman

SAURASHTRA CALCINE BAUXITE AND ALLIED IND. LTD.

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Sec. 217(1)(e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY :

- | | |
|---|---|
| (a) Measures taken | : The Company is regularly carrying out Energy Audit. |
| (b) Additional investments and proposals, if any being implemented for reduction of energy consumption. | : Nil |
| (c) Impact of the measures at (a) and (b) above and consequent impact on cost of production | : Cost per unit has been curtailed. |
| (d) Total energy consumption and energy consumption per unit of production | : As per annexure |

B. TECHNOLOGY ABSORPTION : Details are provided in form 'B' annexed herewith.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (1) Activities relating to exports initiative taken : The company is a regular Exporter of the Bauxite. to increase exports, development of new export plans.

(2) Total foreign exchange used and earned.:

	2012-2013	2011-2012
(i) Foreign Exchange earned : including indirect export	US \$ 32,38,775 Euro NIL	US \$ NIL Euro NIL
(ii) Foreign exchange used :	US \$ NIL	US\$ NIL

FORM A
(Rule 21)

Form for Disclosure of Particulars with respect to conservation of energy.

A. Power and fuel consumption	Current year	Previous year
(1) Electricity :		
(a) Purchased		
Unit (KWH in lacs)	7,19,184	10,21,648
Total amount	44,56,237	49,48,505
Cost/ unit (Rs.)	6.20	4.84
(b) Own Generation through Diesel		
Generator :		
Unit (KWH in lacs)	66,900	95,940
Unit per ltr.of Diesel oil	5	5
Total amount	7,31,568	8,71,108
Cost/ unit (Rs.)	10.94	9.08
(2) Furnace Oil	160.840	103.497
(3) Coal	7273.568	6431.914
(4) Others/internal generation	NIL	NIL

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B. Consumption per unit of production :

	Standard CIF any	Current Year	Current Year
Products : Calcined Bauxite			
(1) Electricity (KWH) Bauxite (per kg.)	-	64.307	70.169
(2) Coal	-	0.595	0.404
(3) Furnace Oil	-	0.013	0.008
(4) Others	-	2.000	2.000

FORM - B

(a) Research and Development	:	Nil
(b) Technology absorption, adaptation and innovation		
(1) Efforts in brief, made towards technology ab-sorption, adaptation and innovation	:	Nil
(2) Benefits derived as a result of above efforts	:	N. A.
(3) Information regarding technology imported during the last five years	:	N. A.

CORPORATE GOVERNANCE REPORT 2012-13
(As required under Clause 49 of the Listing Agreements)

The Directors presents the Company's report on Corporate Governance in accordance with the provisions of clause 49 of the Listing Agreement with stock exchanges.

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board has adopted the principles of good corporate governance and it is committed to adopting the same in future. It is true that the compulsion may initiate steps for compliance however voluntary adoption may take the same at its true place. We have taken steps for the good corporate governance practice, which will lead to the ethics of integrity, transparency and accountability.

THE BOARD OF DIRECTORS

The Board consists of Ten Directors showing the fair combination of Executive, Non-Executive and Independent Directors. The directors are different in respect of the knowledge and expertise in the field. Some of the directors are professionals from different field; some are having the vast knowledge and experience of marketing/production. Out of Ten directors, Four are non Executive and independent directors.

Attendance at board Meetings :

Dates of Board Meetings: 31/05/2012, 10/08/2012, 12/11/2012, 24/12/2012, 14/02/2013

Name	Executive/ Non-Executive/ Independent	No. of other Directorships held in other public Companies	Board meetings attended	Membershi p in the committee of other companies	Chairmanship at the committee of other companies	Attended last AGM 28 th September, 2012
Mr. D. K. Raichura	Non Executive Chairman	0	05	0	0	Yes
Mr. P.K.Raichura	Managing Director	0	05	0	0	Yes
Mr. V.J. Pabari	Joint Managing Director	0	05	0	0	Yes
Mr. A. J. Pabari	Executive Director	0	05	0	0	Yes
Mr. H. K. Raichura	Executive Director	0	05	0	0	Yes
Mr. V. D. Raichura	Executive Director	0	05	0	0	Yes
Mr. S. D. Raichura	Executive Director	0	05	0	0	Yes
Mr. Kishor Pabari	Non executive Independent Director	0	05	0	0	Yes
Ms.Mishaben Pabari	Non Executive Independent Director	0	05	0	0	Yes
Mr. Anil Karia	Non Executive Independent Director	0	05	0	0	Yes

As required by the law, the appointment(s) and remuneration(s) of any executive Director(s) requires the approval of shareholders; such approvals are for a period of not more than 5 years and when eligible, they can be re-appointed at the end of the term.

One third of other Directors retire every year and, when eligible, qualify for re-appointment.

AUDIT COMMITTEE

Term of reference :

The terms of reference of the Audit committee, as specified by the Board, includes the whole as specified in the clause 49 of the listing agreement, including a review of audit procedures and techniques, financial reporting

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systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines. The committee members are all non-executive and majority being the independent directors, collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of external auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that financial statements are correct sufficient and credible. The report of the statutory auditors is reviewed along with managements' comments and action-taken reports.

Composition of the committee :

The committee comprises Shri Anilbhai Karia, Chairman, Shri Kishor Pabri and Ms. Mishaben Pabari all the independent directors of the company.

Meetings and attendance during the year :

Date of Audit Committee Meeting : 31/05/2012, 10/08/2012, 12/11/2012, 14/02/2013

Sr. No.	Director	Status	No. of Meetings Attended
01	Shri Anilbhai Karia	Chairman	04
02	Shri Kishor Pabri	Member	04
03	Ms. Mishaben Pabari	Member	04

REMUNERATION COMMITTEE

The remuneration committee consists of 3 directors all being non-executive directors. The committee recommends the remuneration packages to the Managing/Executive Directors, to the senior officers, employees etc.

Composition :

It comprises of Ms. Mishaben Pabari, Chairman of the committee, Shri Kishor Pabari and Shri Anilbhai Karia, directors of the company.

Meetings and attendance during the year.:

Since there were no agenda requiring decision to fix remuneration of directors, no meetings were held during the year under review.

SHARE TRANSFER AND SHAREHOLDER /INVESTOR GIEVANCES COMMITTEE

All the matters relating to Shareholders was reviewed as well as considered by the Share transfer Committee. However to adhere to the corporate Governance requirements, a new committee called Share transfer and shareholder/investors Grievances committee was formed and the responsibility of erstwhile Share Transfer committee was transferred to the new committee. This committee reviews, records and helps expedite transfer of shares and helps resolve and attend to any grievances of the investors.

Composition:

The committee comprises of Shri Kishor Pabari, Chairman, and Shri Anil Karia, and Ms. Mishaben Pabari director of the company.

Meetings and Attendance during the year :

All the matters relating to Share Department and investor services was handled by Share Transfer Committee. In view of infrequent trading of shares in the stock market and negligible correspondence from the investors and shareholders, the Share Transfer committee met four times in the year. All the members were present at all the meeting. The company is also availing services of Shri Ashish Doshi, a practicing company secretary to advise the company for fulfillment of all the clauses of Listing Agreement and other related rules and laws and who also remains present the meetings of the committee.

However to adhere to the requirements of Corporate Governance this new committee was formed

To expeditiously meet the requirements of transfer of shares, Shri Kishor Pabari has been given authority to deal with and approve the cases on fortnightly basis and place report before the committee meeting. The committee meetings and attendance data were held twelve times during the year

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Date Of Share Transfer And Shareholder /Investor Gievances Committee Meeting : 31/05/2012, 10/08/2012, 12/11/2012, 14/02/2013

Sr. No.	Director	Status	No. of Meetings Attended
01	Shri kishor Pabari	Chairman	04
02	Shri Anil Karia	Member	04
03	Ms. Mishaben Pabari	Member	04

Complaints :

During the year ended 31st March 2013 no investor complaints/queries were received and as on 31st March 2013 there were no complaints/queries pending reply. There were no share transfers pending for registration for more than 30 days as on the said date.

SHAREHOLDER INFORMATION & RELATIONS

The main source of information for shareholders is the Annual Report which includes, inter-alia, the reports of the Directors and the Auditors, Audited Accounts, etc. Shareholders are intimated through print media of quarterly financial results within time periods stipulated from time to time by the stock exchanges.

General Body meetings :

The last 3 Annual General Meetings were held as follows.

	<u>Date</u>	<u>Time</u>	<u>Place</u>
1)	25 th September, 2010	5.00 p.m.	Ratnasagar Hall, Porbandar
2)	27 th September, 2011	5.00 p.m.	Kamal Vihar, Porbandar
3)	28 th September, 2012	5.00 p.m.	The Porbandar District Chamber's Office, Porbandar

The next AGM shall be held at the Registered Office of the company at The Porbandar District Chamber's Office, Amalani Complex, Porbandar at 5.00 p.m. on **21st September, 2013**. The Book Closure will also be as per the dates mentioned elsewhere in the Notice calling Annual general Meeting.

Means of Communications :

The company keeps shareholders informed via advertisements in appropriate newspapers of relevant dates and items requiring notice. The company is having in-house computerized share department.

The general address for correspondence for Shareholders is Regd. Office of the company mentioned elsewhere in this Annual report. However, correspondence may also be done at the Plant of the company situated at 2 K.M. Bhatia-Harsad Road, Bhatia-361 315

The company regularly publishes quarterly financial results etc. in English (either in Western-Times or any other newspaper) and relevant vernacular print media in published in vernacular language (either in Western Times or any other news paper), The company had always held Annul General Meetings within the time limit prescribed by the law or regulatory.

DISCLOSURES :

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

In terms of Section 299 (3) of the Companies Act, 1956, the General Notices of disclosure of interest are obtained from the Directors and accordingly, the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

No strictures and penalties have ever been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on matters related to capital markets.

(c) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.

(d) Regarding Dematerialization of Shares:

The Company is in the process of dematting the shares and this is expected to be completed during the ensuing Financial year.

Non Mandatory Requirements :

Of non-mandatory requirements suggestions, we have adopted those relating to Remuneration Committee. We have not adopted suggestions relating to a postal ballot system (except where compulsory under the Companies Act) nor of sending six monthly information to each shareholder household.

GENERAL SHAREHOLDERS INFORMATION :

A) Annual general meeting :

Day and Date : Saturday, 21st September, 2013

Time : 05.00 p.m.

Venue : The Porbandar District Chamber of Commerce & Industries Office, Amlani Complex, Porbandar-360 575

B) Financial Calendar for 2013-2014

First quarter : By end of June 2013

Second quarter : By end of October, 2013

Third quarter : By end of December, 2013

Annual results for the : By end of May, 2014 Year ended on 31/3/2014

Annual general meeting for : By end of September, 2014 The year 2013-14

C) Book Closure : 17th September, 2013 to 21st September, 2013 (both days Inclusive)

D) Listing of Shares and Securities : The company's shares are presently listed at Rajkot and Ahmedabad Stock exchanges.

E) Market Price Data : The company's shares were not traded in last years. Therefore, the data is not provided.

Share transfer System : The company is having in-house computerized Share Transfer department and is in the process of appointing R & T Agents

F) Who will be acting as a registrar and share transfer agent as common registrar for Physical as well as Demat of shares.

Plant Location : Bhatia,

G) Investor correspondence :

Registered office :

Shri Chambers, 3rd floor, Opp. MEM School,

Opp. Kamala bag, Porbandar-360 575

Plants : 1) 117, 119, GIDC Estate, Porbandar-360575

2) 2 km Bhatia-Harsad Road, Bhatia-361 315

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis form a part of the Annual Report.

The above represents the company's philosophy on corporate governance. Auditors' Certificate as required, forms a part of this Annual Report.

Place : Porbandar

For and on behalf of the Board of Directors

Date : 30/05/2013

D. K. Raichura
Chairman

SAURASHTRA CALCINE BAUXITE AND ALLIED IND. LTD.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION :

We, P. K. Raichura, Chief Executive Officer of Saurashtra Calcine Bauxite and allied Industries limited, to the best of our knowledge and belief certify that :

1. We have reviewed the Balance Sheet and Profit and loss account and all its schedules and notes on accounts, as well as cash flow statement and the directors report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or volatile of the company's code of conduct.
5. we are responsible for establishing and maintaining internal controls over financial reporting for the company, and we have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparing of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure, controls and procedures and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
6. We have disclosed bad on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of directors.
 - (a) significant changes in internal controls during the year covered by this report;
 - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) instances of significant fraud of which they 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.
7. we further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place : Porbandar

Date : 30/05/2013

P. K. Raichura

CEO & M. D

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF THE LISTING AGREEMENT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SAURASHTRA CALCINE BAUXITE & ALLIED INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by SAURASHTRA CALCINE BAUXITE & ALLIED INDUSTRIES LIMITED for the year ended on 31st Mach, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency nor effectiveness with which the Management has conducted the affairs of the company.

FOR, M/S. K. D. TAKWANI & CO.
CHARTERED ACCOUNTANTS

Place: Porbandar
Date: 30/05/2013

(Kamlesh Takwani)
PROPRIETOR

AUDITOR'S REPORT

TO,
THE MEMBERS OF
SAURASHTRA CALCINE BAUXITE & ALLIED IND.LIMITED
PORBANDAR.

We have audited the attached Balance Sheet of SAURASHTRA CALCINE BAUXITE & ALLIED INDUSTRIES LIMITED, as on 31st March, 2013 and also the Profit and Loss Account and cash flow statement of the Company 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (amended), by the Companies (Auditor's Report) Order, 2004 (amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
1. 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 the books;
 2. The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 3. In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 4. On the basis of the written representations received from the directors, as on March 31, 2011 and taken on record by the Board of directors, we report that none of the directors of the company are disqualified as on March 31, 2011 from being appointed as a director, in terms of clause (g) of sub – section (1) of Section 274 of the Companies Act, 1956.
 5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
 - b) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR, M/s K. D. TAKWANI & CO.
CHARTERED ACCOUNTANTS

Date : 30/05/2013
Place : Porbandar

(Kamlesh Takwani)
PROPRIETOR.

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our Report of even date:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
(b) All the assets have not been physically verified by the management during the year but there is a regular programmed of such verification in a phased manner to cover all the items over a period of three years which, in our opinion is reasonable having regard to the size of the company and the nature of its assets As informed, no material discrepancies were noticed on such verification during the year.
(c) During the year, the company has not disposed off any major/ substantial part of the fixed assets.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory. No discrepancies were noticed on verification between the physical stocks and books records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The company had taken loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. There are 5 persons covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Nil, and the year-end balance of loans taken from such parties was nil. The company has granted loans to companies/ firms/ other parties listed in the registers maintained under section 301 of the Companies Act, 1956. There are nil persons covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The rate of interest and the other terms and conditions on which the loans are taken and given are prima facie not prejudicial to the interest of the company.
 - (c) The repayment of the principal amount and the interest are regular.
 - (d) In the cases where the overdue amounts are more than .one lac a rupee, the company has taken reasonable steps for recovery/ payment of the principal and interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions (excluding the loans reported at Para (4) above) in excess of Rs. Five lacs in respect of the said parties have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year, the company has accepted deposits from the public and have complied with the directives of provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. The internal audit of the company is being conducted by a firm of Chartered Accountants. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. As informed to us, the maintenance of cost records have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for the year under review.

SAURASHTRA CALCINE BAUXITE AND ALLIED IND. LTD.

9. In respect of the Statutory Dues:
 - (a) According to the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales- tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities though there had been delays in few cases.
 - (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
10. The company had accumulated profit as on the date of balance sheet and the company has earned cash profit during the financial year covered by our audit and immediately preceding the financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. As per the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has applied for the term loans for the purposes for which the same have been obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been prima – facie used for long-term investment and vice versa.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures and therefore the question of creating the securities in respect thereof does not arise.
20. During the year, the company has not raised any money by way of public issues.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR AND ON BEHALF OF
M/s. K. D. TAKWANI & CO.
CHARTERED ACCOUNTANTS

DATE : 30/05/2013
PLACE : PORBANDAR

(Kamlesh Takwani)
PROPRIETOR

**PART I - FORM OF BALANCE SHEET
BALANCE SHEET AS AT 31-03-2013**

(Amount in Rupees)

Particulars		Note No.	31 March 2013 Amount	31 March 2012 Amount
1		2	3	4
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	9,20,20,000.00	9,20,20,000.00
	(b) Reserves and surplus	2	8,85,77,592.21	8,19,64,324.60
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	4,01,22,584.69	7,31,87,457.52
	(b) Deferred tax liabilities (Net)		1,94,01,816.56	2,04,21,531.56
	(c) Other Long term liabilities	4	3,46,45,598.42	3,51,14,847.87
	(d) Long-term provisions	5	38,54,211.00	40,67,637.00
4	Current liabilities			
	(a) Short-term borrowings	6	8,41,24,113.24	3,95,96,195.80
	(b) Trade payables	6A	3,49,54,206.49	1,10,44,959.50
	(c) Other current liabilities	7	4,62,41,861.24	3,00,43,886.13
	(d) Short-term provisions	8	1,13,95,374.00	41,07,610.03
	TOTAL		45,53,37,357.85	39,15,68,450.01
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	9	15,07,91,717.26	15,57,85,545.43
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(b) Non-current investments			
	(c) Long-term loans and advances	10	36,78,681.00	36,50,834.00
	(d) Other non-current assets	11	-	1,89,68,140.65
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	12	24,04,04,688.36	19,06,89,345.87
	(c) Trade receivables	13	3,22,24,837.45	60,64,620.15
	(d) Cash and cash equivalents	14	1,44,71,344.88	92,72,249.70
	(e) Short-term loans and advances	15	10,89,235.78	18,47,024.00
	(f) Other current assets	16	1,26,76,853.12	52,90,690.21
	Note Forming Parts of Accounts & Accounting Polices	24		
	TOTAL		45,53,37,357.85	39,15,68,450.01

The note referred to above form and integral part of the Balance Sheet

AS PER OUR REPORT OF EVE
DATE ATTACHED HERE WITHFOR & ON BEHALF OF
K.D. TAKVANI & CO.
CHARTERED ACCOUNTANTS(KAMLESH TAKVANI)
PROPRIETORPLACE : PORBANDAR
DATE : 30-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS

D. K. RAICHURA CHAIRMAN
P. K. RAICHURA C.E.O. & MG. DIRECTOR
V. J. PABARI JT. MG. DIRECTOR
A. J. PABARI EX. DIRECTORPLACE : PORBANDAR
DATE : 30-05-2013

PART II - FORM OF STATEMENT OF PROFIT AND LOSS
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31-03-2013

(Amount in Rupees)

Particulars		Refer Note No.	31 March 2013 Amount	31 March 2012 Amount
I.	Revenue from operations	17	38,41,02,875.96	28,71,58,733.50
II.	Other income	18	7,82,230.50	14,80,957.59
III.	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	4,93,83,785.65	2,10,46,153.87
	Total Revenue (I + II)		43,42,68,892.11	30,96,85,844.96
IV.	Expenses:			
	Cost of materials consumed			
	Raw Material		10,19,04,773.29	4,94,40,216.62
	Raw Material for Production		9,93,57,785.30	9,08,00,282.74
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	-	-
	Employee benefits expense	21	2,10,19,497.11	1,72,81,685.20
	Finance costs	22	4,98,77,701.99	2,58,93,690.39
	Depreciation and amortization expense		1,10,88,129.00	1,14,53,453.00
	Other expenses	23	13,58,36,302.81	11,22,58,702.02
	Total expenses		419,084,189.50	30,68,75,564.97
V.	Profit before exceptional and extraordinary items and tax (III-IV)		1,51,84,702.61	28,10,279.99
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		1,51,84,702.61	28,10,279.99
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		1,51,84,702.61	8,10,279.99
X	Tax expense:			
	(1) Current tax		43,00,000.00	15,00,000.00
	(2) Deferred tax		(10,19,715.00)	(6,21,475.00)
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		1,19,04,417.61	19,31,754.99
XII	Profit/(loss) 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)		1,19,04,417.61	19,31,754.99
XVI	Earnings per equity share:			
	(1) Basic		1.29	0.21
	(2) Diluted			

The note referred to above form and integral part of the Balance Sheet

AS PER OUR REPORT OF EVE
DATE ATTACHED HERE WITHFOR & ON BEHALF OF
K.D. TAKVANI & CO.
CHARTERED ACCOUNTANTS
(KAMLESH TAKWANI)
PROPRIETORPLACE : PORBANDAR
DATE : 30-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS

D. K. RAICHURA CHAIRMAN
P. K. RAICHURA C.E.O. & MG. DIRECTOR
V. J. PABARI JT. MG. DIRECTOR
A. J. PABARI EX. DIRECTORPLACE : PORBANDAR
DATE : 30-05-2013

NOTE 2

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Reserves & Surplus	31 March 2013 Amount	31 March 2012 Amount
A. Securities Premium Account		
Opening Balance	3,40,10,000.00	3,40,10,000.00
Add : Securities premium Credited on share issue		
Less : Premium utilized for various reasons For issuing Bonus Shares		
	3,40,10,000.00	3,40,10,000.00
B. General Reserves		
Opening Balance	1,67,99,369.27	1,66,06,193.77
Add : Current Year transfer	11,90,442.00	1,93,175.50
Less : Written back in current year		
Closing Balance		
C. Surplus	1,79,89,811.27	1,67,99,369.27
Opening Balance		
Add : Net Profit/(Net Loss) for the current Year	3,11,54,955.33	3,04,74,605.84
Add : Transfer from reserves	1,19,04,417.61	19,31,754.99
Less : Proposed Dividends	-	-
Less : Tax On Dividend	46,01,000.00	9,20,200.00
Less : Transfer to Reserves	6,90,150.00	1,38,030.00
Closing Balance	11,90,442.00	1,93,175.50
	3,65,77,780.94	3,11,54,955.33
TOTAL	8,85,77,592.21	8,19,64,324.60

NOTE 3

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Long Term Borrowings	31 March 2013 Amount	31 March 2012 Amount
Secured		
(a) Term Loans		
BANK OF BARODA TERM LOAN (Secured against Wind Mill)	1,24,65,222.66	2,39,83,532.54
BANK OF BARODA WC TERM LOAN (Secured against stocks and Trade Receivables)	2,30,34,575.70	4,36,70,671.00
HDFC BANK LTD. (Secured against Vehicle)	1,89,878.33	10,45,472.98
ICICI BANK LTD. (Secured against Vehicle)	7,33,848.00	-
	3,64,23,524.69	6,86,99,676.52
Unsecured		
(a) Deferred payment liabilities		
Sales Tax Deferment Loan	-	-
(b) Deposits		
Deposit From Public	-	-
(c) Loans and advances from related parties	36,99,060.00	44,87,781.00
	36,99,060.00	44,87,781.00
TOTAL	4,01,22,584.69	7,31,87,457.52

NOTE 4

Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

Other Long Term Liabilities	31 March 2013 Amount	31 March 2012 Amount
(a) Trade Payables	58,46,672.42	64,06,828.87
(b) Service Tax Payable	21,58,926.00	20,68,019.00
(c) Advance From Customers	2,66,40,000.00	2,66,40,000.00
TOTAL	3,46,45,598.42	3,51,14,847.87

NOTE 5

Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Long Term Provisions	31 March 2013 Amount	31 March 2012 Amount
(a) Provision For Employee benefits		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Bonus Payable	-	-
For Gratuity (Non –Funded)	38,54,211.00	40,67,637.00
(b) Others	-	-
TOTAL	38,54,211.00	40,67,637.00

NOTE 6

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Short Term Borrowings	31 March 2013 Amount	31 March 2012 Amount
Secured		
(a) Term Loans		
from banks		
BANK OF BARODA BILL PURCHASE A/C (Secured against Documents)	1,92,84,096.00	37,78,902.00
BANK OF BARODA E. P. C. A/C (Secured against stocks In trade)	2,99,46,625.00	-
BANK OF BARODA C. C. A/C (Secured against stocks and Trade Payable)	3,48,93,392.24	3,58,17,293.80
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances (specify nature)	-	-
	8,41,24,113.24	3,95,96,195.80
Unsecured		
(a) Loans repayable on demand		
from banks	-	-
from other parties	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances	-	-
	-	-
TOTAL	8,41,24,113.24	3,95,96,195.80

NOTE 6 A:

Trade Payables	31 March 2013 Amount	31 March 2012 Amount
Trade Payable for Goods	19,93,694.28	-
Trade Payable for Expenses	3,29,60,512.21	1,10,44,959.50
TOTAL	3,49,54,206.49	1,10,44,959.50

SAURASHTRA CALCINE BAUXITE AND ALLIED IND. LTD.

NOTE 7

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Other Current Liabilities	31 March 2013 Amount	31 March 2012 Amount
Statutory Liability	1,58,00,663.76	1,08,31,626.04
Loan taken from Directors	26,56,397.03	27,75,267.03
Outstanding Expenses	3,00,796.00	2,90,640.00
(a) Current maturities of long-term debt	2,23,80,648.45	1,47,24,417.06
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued but due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid Dividends	-	-
(g) Unpaid matured deposits and interest accrued thereon	51,03,356	14,21,936.00
	-	-
	-	-
TOTAL	4,62,41,861.24	3,00,43,886.13

NOTE 8

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

Short Term Provisions	31 March 2013 Amount	31 March 2012 Amount
(a) Provision For Employee benefits		
Salary & Reimbursements	8,73,532.00	13,83,387.03
Contribution to PF	2,86,921.00	-
Bonus Payable	36,06,741.00	10,86,193.00
For Gratuity (Funded)	-	-
(b) Others	-	-
(c) Provision for Taxation	66,28,180.00	16,38,030.00
TOTAL	1,13,95,374.00	41,07,610.03

Note : 9											
Calculation of Depreciation for the year ended 31.03.2013 as per Schedule XIV of Companies Act											
Sr. No.	Name of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As on 01/04/2012	Additions during the year	Sale or Discharge during the Year	As on 31/03/2013	Balance As on 01/04/2012	For the Year	Deletion during the year	Balance As On 31/03/2013	As At 31/03/2013	As At 31/03/2012
1	LAND :	3,02,16,866	-	-	3,02,16,866	-	-	-	-	3,02,16,866	3,02,16,866
2	BUILDING :	1,93,59,157	12,79,053	-	2,06,38,210	24,72,450	4,43,190	-	29,15,640	1,77,22,570	1,68,86,707
3	FURNITURE & FIXTURE	1,16,80,032	4,86,565		1,21,66,597	58,64,630	6,16,197	-	64,80,827	56,85,770	58,15,402
4	VEHICLES :	1,87,88,078	37,14,952	27,93,594	1,97,09,436	83,72,753	14,88,857	13,08,419	85,53,191	1,11,56,245	1,04,15,325
5	PLANT & MACHINERY :	16,80,58,371	23,80,420	63,949	17,03,74,841	7,58,24,692	85,39,885		8,43,64,577	8,60,10,264	9,22,33,679
6	Work In Process (Thermosta	2,17,565	-	2,17,565	-	-	-	-	-	-	2,17,565
	TOTAL	24,83,20,069	78,60,990	30,75,108	25,31,05,950	9,25,34,525	1,10,88,129	13,08,419	10,23,14,235	15,07,91,717	15,57,85,545
	PREVIOUS YEAR	24,71,27,884	2,17,58,025	2,05,65,840	24,83,20,069	8,64,31,929	1,14,53,453	53,50,860	9,25,34,525	15,57,85,545	16,06,95,955

NOTE 10

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Long Term Loans and Advances	31 March 2013 Amount	31 March 2012 Amount
a. Capital Advances		
b. Security Deposits		
Unsecured, considered good	36,78,681.00	36,50,834.00
Doubtful	-	
Less : Provision for doubtful deposits	-	
	36,78,681.00	36,50,834.00
c. Loans and advances to related parties		
d. Other loans and advances		
Advances to Staff	-	-
Less : Provision for	-	-
TOTAL	36,78,681.00	36,50,834.00

NOTE 11

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Other Non Current Asset	31 March 2013 Amount	31 March 2012 Amount
a. Long term trade receivables (including trade receivables on deferred credit terms)	-	-
b. Advances recoverable in cash or kind	-	1,89,68,140.65
	-	1,89,68,140.65
c. Debts due by related parties (refer note 2)	-	-
TOTAL	-	1,89,68,140.65

Note 12

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Inventories	31 March 2013 Amount	31 March 2012 Amount
a. Raw Materials and components (Valued at Cost)		
Raw Bauxite	8,69,01,264.73	8,72,39,424.75
Coal / Furnace Oil	33,05,950.24	32,62,117.43
CRC Clay	45,781.00	45,781.00
P. P. Granuals	30,57,235.06	21,06,236.82
Santalpur Clay	27,73,684.00	27,73,684.00
Sub Total	9,60,83,915.03	9,54,27,244.00
b. Work-in-progress	-	-
Sub Total	-	-
c. Finished Goods (Valued at cost or market value whichever is loss)		
Calcine Bauxite	13,84,15,382.97	9,19,24,155.49
White Chalk	3,46,618.92	4,11,331.82
Disposable Glasses & Tea Cup	29,69,071.78	1,12,247.64
Sub Total	14,17,31,073.67	9,24,47,734.95
d. Stock and spares (Valued at Cost)	12,50,303.70	14,63,172.64
Share Trading Stock		
Sub Total	12,50,303.70	14,63,172.64
e. Stores and spares (Valued at Cost)	6,32,221.29	9,31,376.82
Stores & Spares	3,38,321.37	2,68,019.96
Packing Materials	67,208.00	58,000.00
Packing Materials (Box)	3,01,645.30	93,797.50
Packing Materials (Bags)		
Sub Total	13,39,395.96	13,51,194.28
TOTAL	24,04,04,688.36	19,06,89,345.87

NOTE 13

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Trade Receivables	31 March 2013 Amount	31 March 2012 Amount
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	3,19,29,289.25	60,64,620.15
Unsecured considered doubtful	-	-
Less : Provision for doubtful debts	-	-
	3,19,29,289.25	60,64,620.15
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	2,95,548.20	-
Unsecured considered doubtful	-	-
Less : Provision for doubtful debts	-	-
	2,95,548.20	-
TOTAL	3,22,24,837.45	60,64,620.15

NOTE 14

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Cash and Cash Equivalents	31 March 2013 Amount	31 March 2012 Amount
a. Balance with banks	85,60,742.78	31,74,404.56
Bank FD (Security for Bank Guarantee (Charged as security deposit with bank as against Bank Guarantee)	45,64,067.00 -	41,39,903.00 -
b. Cheque, Drafts on hand	-	-
c. Cash on Hand	13,46,535.10	19,57,942.14
D. Others	-	-
TOTAL	1,44,71,344.88	92,72,249.70

NOTE 15

Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Short Term loans and advances	31 March 2013 Amount	31 March 2012 Amount
a. Loans and advances to related parties	-	-
b. Other Loans / Advances	-	-
Advance To Staff	10,89,235.78	18,47,024.00
Secured considered good	-	-
Less : Provision	-	-
TOTAL	10,89,235.78	18,47,024.00

NOTE 16

Other Current Assets	31 March 2013 Amount	31 March 2012 Amount
a. Balance with Excise Auth	43,12,211.22	7,49,137.55
Pre paid expenses	13,59,754.24	14,28,844.00
Advance to creditors	-	5,72,337.00
Advance Income Tax / TDS	70,04,887.66	25,40,371.66
TOTAL	1,26,76,853.12	52,90,690.21

NOTE 16

Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956

<u>Contingent liabilities and commitments (to the extent not provided for)</u>	31 March 2013 Amount	31 March 2012 Amounts
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(b) Guarantees		
(c) Other money for which the company is contingently liable	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
(b) Uncalled liability on shares and other investments partly paid		
(c) Other commitments (specify nature)		
	-	-
TOTAL	-	-

NOTE 17

Disclosure pursuant to Note no.2 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2013	31 March 2012
	Amount	Amount
Sale of products:		
Raw Bauxite	-	4,37,81,672.00
Less: Sales Tax	-	20,84,841.00
SUB TOTAL	-	4,16,96,831.00
Calcine Bauxite Sales	17,00,57,618.00	21,29,09,928.00
Less: Excise duty	1,80,83,916.00	94,68,117.00
Less: Sales Tax	52,88,712.00	53,45,549.00
SUB TOTAL	14,66,84,990.00	18,80,96,262.00
Branch Transfer		
Calcine Bauxite	3,32,37,009.00	3,46,20,581.00
Less: Excise duty	36,56,169.00	32,45,166.00
	2,95,80,840.00	3,13,75,415.00
Raw Bauxite	29,03,875.38	-
White Chock	71,134.90	-
SUB TOTAL	3,25,55,850.28	3,13,75,415.00
Export Sales		
Calcine Bauxite	7,30,449.60	31,29,478.00
Raw Bauxite	16,75,21,766.08	
SUB TOTAL	16,82,52,215.68	31,29,478.00
Disposable Glasses & Tea Cups		
Gross Sales	3,16,36,958.00	1,60,45,126.50
Excise Duty	33,16,610.00	7,64,088.00
Sales Tax	14,87,053.00	14,40,051.00
SUB TOTAL	2,68,33,295.00	1,38,40,987.50
White Chock		
	10,83,927.00	3,86,730.00
Less: Sales Tax	9,154.00	6,401.00
SUB TOTAL	10,74,773.00	3,80,329.00
Other operating revenues		
Income From Wind Mill	87,01,752.00	86,39,431.00
Less: Excise duty	-	-
SUB TOTAL	87,01,752.00	86,39,431.00
Total	38,41,02,875.96	28,71,58,733.50

NOTE 18

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Other Income	31 March 2013	31 March 2012
	Amount	Amount
Interest Income	5,81,940.39	-
Dividend Income	-	-
Exchange Fluctuation Gain	-	-
Net gain/loss on sale of investments	-	-
Profit on sale of Assets	27,151.70	9,14,055.80
Sundry Credit Balance Written Back	-	-
Income From Derivative/Shares	1,73,138.41	1,99,633.19
Misc Income	-	3,67,268.60
Total	7,82,230.50	14,80,957.59

NOTE 19

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Increase/(Decrease) in Stock	31 March 2013	31 March 2012
	Amount	Amount
Closing stock of Finish Goods	14,14,20,188.78	9,20,36,403.13
Less: Opening stock of Finish Goods	9,20,36,403.13	7,09,90,249.26
Total	4,93,83,785.65	2,10,46,153.87

NOTE 21

Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule VI to the Companies Act, 1956

Employee Benefits Expense	31 March 2013	31 March 2012
	Amount	Amount
(a) Salaries and incentives	1,02,59,002.00	9,816,521.00
(b) Director's Remuneration	41,40,000.00	41,40,000.00
(c) Bonus	42,95,422.00	9,46,982.00
(b) Contributions to Provident fund	10,72,151.00	10,87,267.00
(c) Gratuity fund contributions	-	4,35,797.00
(f) Staff welfare expenses	12,52,922.11	8,55,118.20
Total	2,10,19,497.11	1,72,81,685.20

NOTE 22

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Finance costs	31 March 2013	31 March 2012
	Amount	Amount
Bank Charges	21,04,208.39	23,34,342.76
Bank interest Exp.	1,78,70,383.86	2,11,07,917.89
Other Interest Expense	2,97,15,582.00	21,82,955.00
Hire Purchase Interest	1,87,527.74	2,68,474.74
Total	4,98,77,701.99	2,58,93,690.39

NOTE 23

Other expenses	31 March 2013	31 March 2012
	Amount	Amount
Consumption of Stores & Spares	95,94,600.02	86,90,268.56
Power & Fuel	7,44,55,206.02	6,50,48,988.76
Repairs to building	3,30,506.25	2,73,814.89
Repairs to machinery	86,26,387.41	98,13,828.44
Insurance	5,60,055.76	5,49,521.18
Vat	5,24,737.00	6,50,438.00
Central Excise Exp.	54,79,064.47	30,10,942.68
Service/Revenue Charges of GIDC	500.00	5,85,961.00
Service Tax	1,35,447.02	1,67,982.26
Legal & Professional Fees	6,20,570.00	15,79,279.00
Audit Fees	1,38,287.00	1,12,725.00
Telephone & Internet Charges	8,03,861.81	7,22,514.08
Plot Rent	5,22,861.00	7,38,000.00
Manufacturing expenses	95,54,753.82	85,99,311.65
Freight	-	7,02,324.05
Labour Expense	26,79,549.00	17,58,877.32
Misc. Other Expense	1,06,38,799.76	90,01,460.15
Clearing & Forwarding	77,88,980.00	-
Wharfage Charges	28,99,200.00	-
Testing & Inspection	3,76,610.46	-
Loss on Sale of assets	1,06,326.01	-
Total	13,58,36,302.81	11,20,06,237.02

Audit fees	31 March 2013	31 March 2012
	Amount	Amount
Payments to the auditor as	-	-
a. auditor,	138,287.00	112,725.00
b. for taxation matters,	-	-
c. for company law matters,	-	-
d. for management services,	-	-
e. for other services,	-	-
f. for reimbursement of expenses;	-	-

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR EANDED 31/03/2013

A. ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINACIAL STATEMENTS

- a. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- b. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- c. Insurance and other claims to the extent considered recoverable are accounted for in the year of claim. However claims and refunds, whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

FIXED ASSETS

- a. Fixed Asset are stated at cost of acquisition inclusive of duties (net of cenvat and VAT) taxes, incidental expenses, erection/ Commissioning expenses, technical Know How fees and interest etc. up to the date the asset is put in to use.
- b. Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalized and depreciated over the residual useful life of the respective assets.
- c. The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/ internal factors. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the respective asset. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the Weightage Average cost of capital.

DEPRECIATION

- a. The classification of plant and machinery into continuous and non- continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- b. Depreciation of Fixed Assets are provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- c. Depreciation on fixed assets added/ disposed off during the year is provided on pro rata basis with reference to the date of addition / disposed.

INVENTORIES

- a. Raw bauxites are valued at cost. For the purpose of arriving at the final costs the necessary effect is being given in respect of the net selling price that is being estimated in respect of the raw bauxites that are excavated from the mines in the normal course of the operations of the manufacturing but which does not carry commercial marketable values.
- b. Calcine bauxite is valued at cost or net realizable value whichever is less
- c. Stores, spares, coal, furnace oil and packing material are stated at cost.
- d. Closing Stock of shares are valued at cost.
- e. Closing Stock of White Chalk are valued at cost.
- f. Closing stock of Plastics are valued at Cost.
- g. Closing Stock of P.P Grannuals are valued at Cost

Cost for the purpose of finished goods represents material cost, labour cost, direct expenses and apportionment of manufacturing overheads on the basis of absorption costing method.

SALES

Sales have been shown net of Excise Duty and Sales Tax.

FOREIGN CURRENCY TRANSACTION

Transactions denominated in foreign currencies are normally included at the exchange rate prevailing at the time of the transaction. Debtors in respect of export sales at the year end are accounted at the year end exchange rate. The working capital foreign currency loans are accounted at the contracted exchange rate.

RETIREMENT BENEFITS

Company's contributions to provident fund are charged to the Profit and Loss account. The post retirement benefits has been provided on the basis of the actuarial valuation report as per LIC.

BORROWING COSTS

Borrowing costs that are directly attributable to acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete.

A Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use All other borrowing costs are charged to revenue.

CONTINGENCIES AND EVENTS ACCURING AFTER THE BALANCE SHEET DATE

The material contingencies and events, occurring after the Balance Sheet date are considered up to the date of adoption of accounts.

CONTINGENT LIABILITES

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

EXCISE DUTY

The Company follows exclusive method as recommended by the guidance note on accounting for CENVAT issued by the Institute of Chartered Accountants of India.

- (A) Accordingly, sales, purchase and stock are stated net of excise duty and sales tax.
- (B) Excise duty payable on finished goods lying in the factory at the year end has been included in the valuation of finished goods as required by the Accounting Standard 2 i.e. "Valuation of Inventories" issued by the Institute of Chartered Accountants of India.

PROVISIONS

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made

TAXATION

- (A) Tax expenses comprise of current, deferred, current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian income tax 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.
- (B) The deferred tax for timing differences between the book and tax rates and laws that have been substantially enacted as of the Balance sheet date . Deferred tax asset are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.
- (C) Minimum Alternate tax (MAT) credit is recognized 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 MAT credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account as shown as MAT credit entitlement. The company reviews the MAT credit at each balance sheet date and writes down the carrying amount to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

B). NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities – NIL.
2. Based on the information/documents available with the company, there is no amount due but remaining unpaid as on 31st March, 2013, as per the requirement of the Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006
3. Provision for income tax has been made in the accounts after considering the relevant provision of the Income Tax Act, 1961.

SAURASHTRA CALCINE BAUXITE AND ALLIED IND. LTD.

4. The effect of section 145A of the Income Tax Act, 1961 will be given while computing taxable income under the Income Tax provision.
5. Previous years' figures are regrouped or recast wherever necessary to make them comparable to those of the current years.
6. The balance of Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmation from the respective parties.
7. Details of Managerial Remuneration (following provisions of Schedule XIII of the Companies Act, 1956) are as follows:-

<u>2012-2013</u>	(Amt in Rs. Lacs) <u>2011-2012</u>
41.40	41.40

8. **ACCOUNTING FOR DEFERRED TAX**

In compliance with the provision of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized in the financial statements the deferred tax assets/liabilities and charged the net deferred tax Assets of Rs. **33.00** lacs to Profit and Loss Account for the year. Considering the effect of Deferred Tax Assets of Rs **33.00** Lacs the profit for the current year has Increased by Rs. **33.00** lacs.

The year end position is as follows:

Particular	(Amt in Rs. Lacs) <u>2012-2013</u>
Opening D.T.L.	204.22
Reduction in D.T.L. because of timing difference	
on account of following :	
Depreciation as per IT for the year	77.88
Depreciation as per Books for the year	<u>110.88</u>
Net Depreciation Difference	(33.00)
D.T.L. at 30.90% for the year	<u>-10.20</u>
Closing D.T.L.	194.02

10. **SEGMENT REPORTING :**

PRIMARY SEGMENT :

Based on the guiding principle given in the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, the Company's main product is bauxite. Looking to the nature of products, the related risks and returns and the internal financial reporting systems, the company does not have any reportable product segmentation. Hence no information of segment reporting are given.

11. Related Party Disclosures :

A. Key Management Personnel and transactions with them

NAME OF KEY MANAGERIAL PESONNEL	DESIGNATION	TRANSACTION WITH KEY MANAGERIAL PERSONNEL
MR. D. K. RAICHURA	CHAIRMAN	RS. NIL
MR. P. K. RAICHURA	W. T. DIRECTOR	RS. 09.00 Lacs
MR. V. J. PABARI	W. T. DIRECTOR	RS. 07.20 Lacs
MR. A. J. PABARI	W. T. DIRECTOR	RS. 07.20 Lacs
MR. H. K. RAICHURA	EXC. DIRECTOR	RS. 03.60 Lacs
MR. V. D. RAICHURA	EXC. DIRECTOR	RS. 05.40 Lacs
MR. S. D. RAICHURA	EXC. DIRECTOR	RS. 09.00 Lacs

12. EARNINGS PER SHARE :

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below :

Particulars	<u>31/03/2013</u>	<u>31/03/2012</u>
		Amt. in Rs. Lacs
Profit after taxation (Rs. In Lacs)	119.08	19.31
Weighted average number of equity shares (in numbers)	9202000	9202000
Earning per share (Basic and diluted) (in Rs.)	1.29	0.21
Face Value per share (in Rs.)	10.00	10.00