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# SHREE CEMENT LTD.

Regd. Office:

BANGUR NAGAR, POST BOX NO.33, BEAWAR 305 901, RAJASTHAN, INDIA



SCL/BWR/SE/2016/  
26<sup>th</sup> May, 2016

FAX NO. 022 – 26598237 / 26598238

Email : [cm1ist@nse.co.in](mailto:cm1ist@nse.co.in)

National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra – Kurla Complex, Bandra (East)  
MUMBAI – 400 051

SCRIP CODE: SHREECEM EQ

FAX NO. 022-22722041 / 22722061

Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
MUMBAI – 400 023

SCRIP CODE 500387

Attn: Listing Department

Sub: Approval of Audited Financial Results for Quarter/ Year (Nine Months) ended 31<sup>st</sup> March, 2016

Dear Sirs,

Board of Directors of the Company has today approved the Audited Financial Results (Standalone and Consolidated) of the Company for Quarter/ Year (Nine months) ended on 31<sup>st</sup> March, 2016. Results approved by the Board are enclosed herewith.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Statutory Auditor's Report on Audited Financial Results (Standalone and Consolidated) for the Year ended 31<sup>st</sup> March, 2016 (Nine months) alongwith "Form A" is also enclosed herewith.

The date of Annual General Meeting (AGM) of the members of the Company has been fixed for Friday, 12<sup>th</sup> August, 2016. The Book Closure for the purpose of the said AGM will commence from 8<sup>th</sup> August, 2016 to 12<sup>th</sup> August, 2016 (both days inclusive).

The meeting of the Board started at 12.45 PM and concluded at 1.35 P.M.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For SHREE CEMENT LIMITED

(S.S. KHANDELWAL)  
COMPANY SECRETARY

JAIPUR OFFICE : SB-187, Bapu Nagar, Opp. Rajasthan University, JLN Marg, Jaipur-302 015

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CORP. OFFICE : 21, Strand Road, Kolkata 700 001 Phone : 033-22309601-4 Fax : 033 22434226



## SHREE CEMENT LIMITED

Regd. Office : Bangur Nagar, Beawar-305901, Distt Ajmer (Rajasthan)  
 Phone: EPABX 01462 228101-6, Fax: 01462 228117/119 e-mail: shreebwr@shreecementltd.com Website: www.shreecement.in  
 CIN: L26943RJ1979PLC001935

### STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR (NINE MONTHS PERIOD) ENDED ON 31ST MARCH, 2016

Rs. in Crore

S.N.	PARTICULARS	Standalone				Consolidated		
		Quarter ended 31.03.2016 (Audited)	Quarter ended 31.12.2015 (Reviewed)	Quarter ended 31.03.2015 (Reviewed)	Year ended 31.03.2016 (Audited) (9 Months)	Previous Year ended 30.06.2015 (Audited)	Year ended 31.03.2016 (Audited) (9 Months)	Previous Year ended 30.06.2015 (Audited)
1	<b>Income from operations</b>							
	a. Net sales/Income from operations (Net of excise duty)	2017.41	1826.83	1573.31	5567.73	6439.88	5567.73	6439.88
	b. Other operating income	0.01	-	3.09	0.02	13.69	0.02	13.69
	<b>Total Income from operations (net)</b>	<b>2017.42</b>	<b>1826.83</b>	<b>1576.40</b>	<b>5567.75</b>	<b>6453.57</b>	<b>5567.75</b>	<b>6453.57</b>
2	<b>Expenses</b>							
	a. Cost of materials consumed	168.48	163.39	138.32	470.50	579.53	470.50	579.53
	b. Purchases of stock-in-trade	-	-	-	-	-	-	-
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7.49)	20.59	(16.71)	3.28	(79.10)	3.28	(79.10)
	d. Employee benefits expense	121.64	120.10	113.81	364.54	455.03	364.54	455.03
	e. Depreciation and amortisation expense	333.77	304.22	262.94	908.41	924.78	908.41	924.78
	f. Power and fuel	379.67	376.62	355.29	1130.90	1579.82	1130.90	1579.82
	g. Freight and forwarding expenses	428.33	366.50	351.66	1141.62	1395.46	1141.62	1395.46
	h. Other expenses	421.76	353.68	293.45	1136.65	1178.98	1136.68	1179.01
	<b>Total expenses</b>	<b>1846.16</b>	<b>1705.10</b>	<b>1498.76</b>	<b>5155.90</b>	<b>6034.50</b>	<b>5155.93</b>	<b>6034.53</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>171.26</b>	<b>121.73</b>	<b>77.64</b>	<b>411.85</b>	<b>419.07</b>	<b>411.82</b>	<b>419.04</b>
4	Other Income	75.49	21.58	50.44	120.11	137.85	120.11	137.85
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>246.75</b>	<b>143.31</b>	<b>128.08</b>	<b>531.96</b>	<b>556.92</b>	<b>531.93</b>	<b>556.89</b>
6	Finance costs	28.58	23.31	27.04	75.12	120.63	75.12	120.63
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>218.17</b>	<b>120.00</b>	<b>101.04</b>	<b>456.84</b>	<b>436.29</b>	<b>456.81</b>	<b>436.26</b>
8	Exceptional items							
	- Assets Constructed at Others' Premises W/Off	0.09	0.11	3.95	2.30	35.46	2.30	35.46
9	<b>Profit / (Loss) from Ordinary Activities before tax (7-8)</b>	<b>218.08</b>	<b>119.89</b>	<b>97.09</b>	<b>454.54</b>	<b>400.83</b>	<b>454.51</b>	<b>400.80</b>
10	Tax expense							
	a. Current Tax	56.12	34.67	23.30	123.98	95.81	123.98	95.81
	b. Prior Period Tax	(55.34)	-	-	(55.34)	(16.65)	(55.34)	(16.65)
	c. Deferred Tax	(19.42)	(22.68)	(20.82)	(68.18)	(52.33)	(68.18)	(52.33)
	d. MAT Credit Entitlement	13.38	5.04	(25.12)	(0.85)	(52.33)	(0.85)	(52.33)
	Total (a to d)	(5.26)	17.03	(22.64)	(0.39)	(25.50)	(0.39)	(25.50)
11	<b>Net Profit / (Loss) from Ordinary Activities after tax (9-10)</b>	<b>223.34</b>	<b>102.86</b>	<b>119.73</b>	<b>454.93</b>	<b>426.33</b>	<b>454.90</b>	<b>426.30</b>
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11-12)</b>	<b>223.34</b>	<b>102.86</b>	<b>119.73</b>	<b>454.93</b>	<b>426.33</b>	<b>454.90</b>	<b>426.30</b>
14	Minority Interest	-	-	-	-	-	-	-
15	<b>Net Profit / (Loss) after Taxes and Minority Interest (13-14)</b>	<b>223.34</b>	<b>102.86</b>	<b>119.73</b>	<b>454.93</b>	<b>426.33</b>	<b>454.90</b>	<b>426.30</b>
16	Paid-up Equity Share Capital (Face value Rs. 10 per share)	34.84	34.84	34.84	34.84	34.84	34.84	34.84
17	Reserves excluding Revaluation Reserve as per balance sheet at year ended				6145.38	5241.56	6145.27	5241.47
18	Earnings Per Share (EPS) (of Rs. 10 each)							
	<b>Cash</b>	<b>154.34</b>	<b>110.34</b>	<b>103.87</b>	<b>371.77</b>	<b>372.81</b>	<b>371.77</b>	<b>372.80</b>
	<b>Basic and Diluted</b>	<b>64.11</b>	<b>29.53</b>	<b>34.37</b>	<b>130.59</b>	<b>122.38</b>	<b>130.58</b>	<b>122.37</b>

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs. in Crore

S.N.	PARTICULARS	Standalone				Consolidated		
		Quarter ended 31.03.2016 (Audited)	Quarter ended 31.12.2015 (Reviewed)	Quarter ended 31.03.2015 (Reviewed)	Year ended 31.03.2016 (Audited) (9 Months)	Previous Year ended 30.06.2015 (Audited)	Year ended 31.03.2016 (Audited) (9 Months)	Previous Year ended 30.06.2015 (Audited)
1	<b>Segment Revenue</b>							
	a. Cement	1801.38	1644.90	1463.25	4972.32	5747.24	4972.32	5747.24
	b. Power	425.95	370.12	296.48	1176.54	1386.56	1176.54	1386.56
	<b>Total</b>	<b>2227.33</b>	<b>2015.02</b>	<b>1759.73</b>	<b>6148.86</b>	<b>7133.80</b>	<b>6148.86</b>	<b>7133.80</b>
	Less: Inter Segment Revenue	209.91	188.19	183.33	581.11	680.23	581.11	680.23
	<b>Total Income from operations (net)</b>	<b>2017.42</b>	<b>1826.83</b>	<b>1576.40</b>	<b>5567.75</b>	<b>6453.57</b>	<b>5567.75</b>	<b>6453.57</b>
2	<b>Segment Results (Profit/(Loss) before Finance Cost, Exceptional Items and Taxes)</b>							
	a. Cement	(38.65)	(26.95)	(36.67)	(45.29)	(36.75)	(45.32)	(36.78)
	b. Power	220.56	149.68	118.61	478.04	483.41	478.04	483.41
	<b>Total</b>	<b>181.91</b>	<b>122.73</b>	<b>81.94</b>	<b>432.75</b>	<b>446.66</b>	<b>432.72</b>	<b>446.63</b>
	<b>Less:</b>							
	a. Finance Costs	28.58	23.31	27.04	75.12	120.63	75.12	120.63
	b. Exceptional Items	0.09	0.11	3.95	2.30	35.46	2.30	35.46
	c. Other Unallocable Expenditure / (Income)	(64.84)	(20.58)	(46.14)	(99.21)	(110.26)	(99.21)	(110.26)
	<b>Profit before Tax</b>	<b>218.08</b>	<b>119.89</b>	<b>97.09</b>	<b>454.54</b>	<b>400.83</b>	<b>454.51</b>	<b>400.80</b>
3	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>							
	a. Cement	3962.50	3566.86	3405.73	3962.50	3716.05	3962.50	3716.04
	b. Power	295.79	355.83	476.76	295.79	530.75	295.79	530.75
	c. Unallocated Capital Employed [Includes Investments of Rs. 2366.20 crore in standalone results as of 31st March, 16 (Rs.1662.61 crore as of 30th June, 15) and Rs. 2366.08 crore in consolidated results as of 31st March, 16 (Rs. 1662.49 crore as of 30th June 15)]	3086.90	2864.35	2616.43	3086.90	2234.41	3086.79	2234.33
	<b>Total</b>	<b>7345.19</b>	<b>6787.04</b>	<b>6498.92</b>	<b>7345.19</b>	<b>6481.21</b>	<b>7345.08</b>	<b>6481.12</b>

Notes:

- 1 Statement of Assets and Liabilities

S.N.	PARTICULARS	Rs. in Crore			
		Standalone		Consolidated	
		As at 31.03.2016 (Audited)	As at 30.06.2015 (Audited)	As at 31.03.2016 (Audited)	As at 30.06.2015 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Shareholders' Funds</b>				
	(a) Share Capital	34.84	34.84	34.84	34.84
	(b) Reserves and Surplus	6145.38	5241.56	6145.27	5241.47
	<b>Sub-total Shareholders' Funds</b>	<b>6180.22</b>	<b>5276.40</b>	<b>6180.11</b>	<b>5276.31</b>
2	<b>Minority Interest</b>				
3	<b>Non Current Liabilities</b>				
	(a) Long-Term Borrowings	520.92	401.41	520.92	401.41
	(b) Other Long-Term Liabilities	915.00	852.32	915.00	852.32
	(c) Long-Term Provisions	18.88	19.11	18.88	19.11
	<b>Sub-total Non-Current Liabilities</b>	<b>1454.80</b>	<b>1272.84</b>	<b>1454.80</b>	<b>1272.84</b>
4	<b>Current Liabilities</b>				
	(a) Short-Term Borrowings	195.75	214.95	195.75	214.95
	(b) Trade Payables	258.38	292.37	258.40	292.40
	(c) Other Current Liabilities	697.48	872.38	697.48	872.38
	(d) Short-Term Provisions	2.39	68.91	2.39	68.91
	<b>Sub-total Current Liabilities</b>	<b>1154.00</b>	<b>1448.61</b>	<b>1154.02</b>	<b>1448.64</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8789.02</b>	<b>7997.85</b>	<b>8788.93</b>	<b>7997.79</b>
<b>B</b>	<b>ASSETS</b>				
1	<b>Non Current Assets</b>				
	(a) Fixed Assets	3314.67	3515.43	3314.67	3515.43
	(b) Non-Current Investments	2286.20	1498.98	2286.08	1498.86
	(c) Deferred Tax Assets (Net)	263.37	195.19	263.37	195.19
	(d) Long-Term Loans and Advances	923.99	556.06	923.99	556.06
	<b>Sub-total Non-Current Assets</b>	<b>6788.23</b>	<b>5765.66</b>	<b>6788.11</b>	<b>5765.54</b>
2	<b>Current Assets</b>				
	(a) Current Investments	80.00	163.63	80.00	163.63
	(b) Inventories	815.19	918.86	815.19	918.86
	(c) Trade Receivables	328.62	476.39	328.62	476.39
	(d) Cash and Cash Equivalents(*)	283.04	307.50	283.05	307.54
	(e) Short-Term Loans and Advances	469.32	350.54	469.34	350.56
	(f) Other Current Assets	24.62	15.27	24.62	15.27
	<b>Sub-total Current Assets</b>	<b>2000.79</b>	<b>2232.19</b>	<b>2000.82</b>	<b>2232.25</b>
	<b>TOTAL ASSETS</b>	<b>8789.02</b>	<b>7997.85</b>	<b>8788.93</b>	<b>7997.79</b>

(\*) Cash and Cash Equivalents represent Cash and Bank Balances.

- 2 The above results were taken on record at the meeting of the Board of Directors held on 26th May, 2016.
- 3 During the year, the Board of Directors of the Company has declared interim dividends of Rs. 24 per share (two interim dividends at the rate of Rs. 12 per Share each). The Board of Directors has not recommended final dividend for the year ended 31st March, 2016.
- 4 (a) EBITDA (after eliminating the impacts of inter-segment transfers) is as under:

Rs. in crore

Segment	Standalone					Consolidated	
	Quarter ended 31.03.2016	Quarter ended 31.12.2015	Quarter ended 31.03.2015	Year ended 31.03.2016 (9 Months)	Previous Year ended 30.06.2015	Year ended 31.03.2016 (9 Months)	Previous Year ended 30.06.2015
Cement	411.86	376.73	330.14	1120.09	1234.19	1120.06	1234.16
Power	93.17	49.22	10.44	200.17	109.66	200.17	109.66
Other Income	75.49	21.58	50.44	120.11	137.85	120.11	137.85
<b>Total</b>	<b>580.52</b>	<b>447.53</b>	<b>391.02</b>	<b>1440.37</b>	<b>1481.70</b>	<b>1440.34</b>	<b>1481.67</b>

- (b) Depreciation and amortisation expense for Cement and Power Segment is as under:


Rs. in crore

Segment	Standalone					Consolidated	
	Quarter ended 31.03.2016	Quarter ended 31.12.2015	Quarter ended 31.03.2015	Year ended 31.03.2016 (9 Months)	Previous Year ended 30.06.2015	Year ended 31.03.2016 (9 Months)	Previous Year ended 30.06.2015
Cement	287.66	263.40	242.37	742.52	838.48	742.52	838.48
Power	46.11	40.82	20.57	165.89	86.30	165.89	86.30
<b>Total</b>	<b>333.77</b>	<b>304.22</b>	<b>262.94</b>	<b>908.41</b>	<b>924.78</b>	<b>908.41</b>	<b>924.78</b>

- 5 In an appeal filed by the Company, the Competition Appellate Tribunal (COMPAT) had, by its order dated 11th December, 2015, set aside order dated 30th July, 2012 passed by the Competition Commission of India (CCI). COMPAT remitted the matter to CCI for fresh adjudication. Further, in terms of the order, the Company has received refund of Rs. 39.75 crore being 10% amount of penalty alongwith accumulated interest deposited with COMPAT.
- 6 During the year the Company has, with retrospective effect, changed the accounting policy for amortization of leasehold land containing mineral reserve from unit of production method to over the period of lease. This change will give a systematic basis of amortization charge, representative of the time pattern over which the economic benefits flow to the company. Had the Company not changed the accounting policy profit after tax for the current year would have been higher by Rs 1.88 crore.
- 7 During the Quarter, Company has commissioned Autoclaved Aerated Concrete (AAC) Blocks Project having capacity of 3 Lac Cubic Meter Per Annum at Sikandrabad, Bulandshahr in Uttar Pradesh.
- 8 Section 2(41) of the Companies Act, 2013 requires Company to have its financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for a nine months period from 1st July, 2015 to 31st March, 2016. Accordingly, the figures for the current financial year are not comparable to those of the previous year.
- 9 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31st March, 2016 and year to date figures upto 31st December, 2015 being the date of end of the second quarter of the financial year.
- 10 Figures for previous periods have been regrouped wherever necessary.

Place: Kolkata  
Date: 26th May, 2016

By order of the Board  
For SHREE CEMENT LIMITED

  
(B.G. Bangur)  
Chairman

For details e-mail at : bhandaria@shreecementltd.com

Visit us on www.shreecement.in

**Independent Auditors' Report**

**TO THE MEMBERS OF SHREE CEMENT LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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 of these standalone 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 standalone financial statements based on our audit. We have taken into account the provisions 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 the standalone financial statements.




## Opinion


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the nine months period ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the 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 standalone 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 written representations received from the directors as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
  - (g) 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 disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
    - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

  
**Sudhir Maheshwari**  
Partner  
Membership No.081075



Place: Kolkata  
Date: 26<sup>th</sup> May, 2016

## **Annexure 'A' to the Independent Auditors' Report**

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company
- 2) In respect of its inventories:
  - (a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

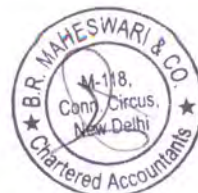
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.



- (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess not deposited by the Company are as follows :

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit on Inputs and capital goods	1.06	1994-95 to 2011-12	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	0.09	2010-11	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	0.08	1997-98 & 2007-08 to 2008-09 & 2012-13 to 2013-14	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Credit of Service Tax	0.04	2008-09 to 2010-11	Commissioner (Appeals) of Central Excise
	Credit of Service Tax	9.91	2004-05 to 2008-09 & 2012-13 to 2013-14	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (A)</b>		<b>11.18</b>		
<b>(B) Customs Duty</b>				
Customs Act, 1962	Custom Valuation Duty	4.91	2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>4.91</b>		
<b>(C) Sales Tax</b>				
Central Sales Tax Act, 1956	Partial Exemption Claim including interest	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
<b>Total (C)</b>		<b>2.24</b>		
<b>(D) Others</b>				
The Rajasthan Finance Act, 2008	Environment & Health Cess	78.89	2007-08 to 2015-16	Rajasthan High Court, Jodhpur
<b>Total (D)</b>		<b>78.89</b>		
<b>Grand Total (A+B+C+D)</b>		<b>97.22</b>		


- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.





- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B. R. Maheswari & Co**  
Chartered Accountants  
Firm's Registration No: 001035N

  
**Sudhir Maheshwari**  
Partner  
Membership No: 0810765



Place: Kolkata  
Date: 26<sup>th</sup> May, 2016

## **Annexure 'B' to the Independent Auditors' Report**

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.




### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. R. Maheswari & Co**  
Chartered Accountants  
Firm's Registration No: 001035N

  
**Sudhir Maheshwari**  
Partner  
Membership No: 081075



Place: Kolkata  
Date: 26<sup>th</sup> May, 2016

## **Independent Auditors' Report**

### **TO THE MEMBERS OF SHREE CEMENT LIMITED**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting audit, we have taken into account the provisions 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair



view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016 and its consolidated profit and its consolidated cash flows for the nine months period ended on that date.

### **Other Matters**

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 0.03 crore as at 31<sup>st</sup> March, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs.0.03 crore for the nine months period ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.


### **Report on Other Legal and Regulatory Requirements**


1. As required by section 143(3) of the Act, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 26 to the consolidated financial statements;
  - The Group did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **B. F. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

  
**Sudhir Maheshwari**  
Partner  
Membership No.081075



Place: Kolkata  
Date: 26<sup>th</sup> May, 2016

## **Annexure 'A' to the Independent Auditors' Report**

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sh ee Cement Limited ("the Holding Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

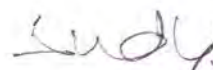
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**


Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. R. Maheswari & Co**  
Chartered Accountants  
Firm's Registration No: 001035N

  
**Sudhir Maheshwari**  
Partner  
Membership No: 081075



Place: Kolkata  
Date: 26<sup>th</sup> May, 2016



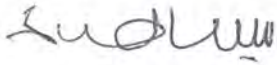
## FORM A

(For Audit Report with unmodified opinion)

[Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

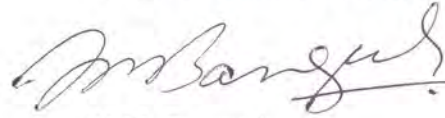
1.	Name of the Company	Shree Cement Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2016 (Standalone and Consolidated)
3.	Type of Audit Observation	Un-modified
4.	Frequency of observation	Not Applicable

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's registration No. 001035N



(Sudhir Maheshwari)  
Partner  
Membership No.081075

For **Shree Cement Limited**



(H.M. Bangur)  
Managing Director

For **Shree Cement Limited**



(Subhash Jajoo)  
Chief Finance Officer

For **Shree Cement Limited**



(O.P. Setia)  
Chairman of Audit and Risk Management  
Committee

Place : Kolkata  
Date : 26<sup>th</sup> May, 2016